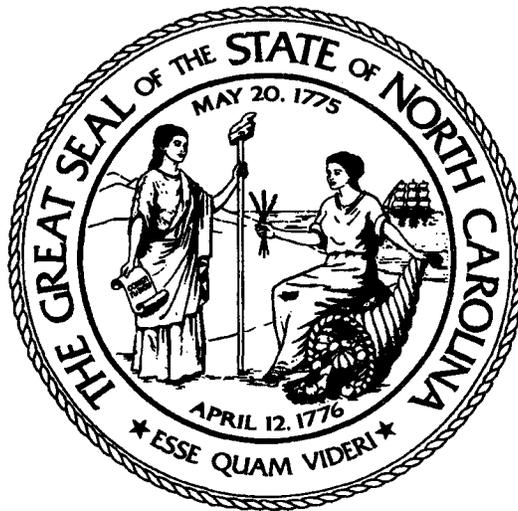


**LEGISLATIVE
RESEARCH COMMISSION**

CHILD CARE COMMITTEE



**REPORT TO THE
1995 GENERAL ASSEMBLY
OF NORTH CAROLINA**

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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611

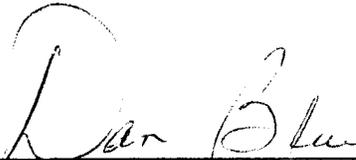


January 11, 1995

TO THE MEMBERS OF THE 1995 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on Child Care. The report was prepared by the Legislative Research Commission's Committee on Child Care pursuant to G.S. 120-30.17(1).

Respectfully submitted,



Daniel T. Blue, Jr.
Speaker of the House



Marc Basnight
President Pro Tempore

Cochairmen
Legislative Research Commission



1993-1994

LEGISLATIVE RESEARCH COMMISSION

MEMBERSHIP

President Pro Tempore of
the Senate
Marc Basnight, Cochair

Senator Austin Allran
Senator Frank W. Ballance, Jr.
Senator R. L. Martin
Senator J. K. Sherron, Jr.
Senator Lura S. Tally

Speaker of the House of
Representatives
Daniel T. Blue, Jr., Cochair

Rep. Harold J. Brubaker
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Rep. W. Pete Cunningham
Rep. Bertha M. Holt
Rep. Vernon G. James

PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is the general purpose study group in the Legislative Branch of State Government. The Commission is cochaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

The Legislative Research Commission, prompted by actions during the 1993 Session, has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Cochairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Cochairs, one from each house of the General Assembly, were designated for each committee.

The study of CHILD CARE would have been authorized by Subdivision (15) of Section 2.1 of Part II of of House Bill 1319 (2nd edition) which passed both chambers but inadvertently was among the bills not ratified at the end of the 1993 Session. Part II of House Bill 1319 would allow studies authorized by that Part for the Legislative Research Commission to consider House Bill 213/Senate Bill 89 in determining the nature, scope, and aspects of the study. The pertinent part of Section 1 of House Bill 213/Senate Bill 89 reads:

"The Commission shall study State government policy and programs affecting child care issues, specifically addressing child care issues from the point of existing laws, governmental programs needed or already functioning, and current child care issues. The Commission shall work in close collaboration with all agencies and programs dealing with child care. Among the issues the Commission may consider studying are:

(1) Prior recommendations of other study commissions that have reviewed child day care and other child care services since 1980 and an assessment of compliance with these recommendations;

(2) The advantages and costs associated with measures to improve the quality of child care, including lowering staff/child ratios, enhancing child care teaching credentialing, improving training of child care teachers, and improving salaries of all child care workers;

(3) Ways to maximize the positive impact on North Carolina of the federal block grant;

(4) Ongoing examination of the current statutory regulation of child care and the procedures used to develop policies and rules in order to ensure that all North Carolina's children in child care can receive quality care that is both enriching and safe;

(5) The relationship between child care services offered by for-profit and nonprofit, public and private, child care providers, including the public schools, to ensure that parents have full choice of safe, quality child care;

(6) Ways to continue towards the development of a unified State policy for funding and delivery of all child care services; and

(7) Any additional issues the Commission may consider necessary to study."

The relevant portions of House Bill 1319 and House Bill 213 are included in Appendix A. The Legislative Research Commission authorized this study under authority of G.S. 120-30.17(1) and grouped this study in its FAMILY AND JUVENILE GROUPING area under the direction of Frank W. Ballance, Jr. The Committee was chaired by Senator Russell G. Walker and Representative Howard J. Hunter, Jr. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

COMMITTEE PROCEEDINGS

The Legislative Research Commission Study Committee on Child Care met four times after the 1994 Short Session, on September 22, October 25, November 22, and December 20, 1994. The bills recommenced by the Committee to the Short Session did not pass, but, in several cases, had an impact on appropriations in the budget bill. (See the Legislative Research Commission Child Care Committee's Report to the 1993 General Assembly of North Carolina, 1994 Session, on file in the Legislative Library.)

Issues raised by these bills that the Committee decided still needed to be addressed were identified at the second meeting: criminal record checks for day care providers, increased eligibility thresholds for subsidized child care to benefit the families transitioning off welfare and the working poor, even if full funding for these increases could not be made, rate restructuring that would better deal with the problems faced by rural areas and others needing a better market rate/alternate rate provision to encourage the development of more quality child care and that would provide subsidy incentives for all child care providers to provide better quality care. In addition, the Committee decided to recommend the funding of statewide child care resource and referral funds.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION 1. The Legislative Research Commission recommends the enactment of "AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD CARE COMMITTEE TO MANDATE CRIMINAL HISTORY CHECKS OF ALL CHILD DAY CARE PROVIDERS, TO STUDY THE USE OF THE CENTRAL REGISTRY ON CHILD ABUSE AND NEGLECT, AND TO APPROPRIATE FUNDS ". (See APPENDIX D: Legislative Proposal 1.)

The Committee endorsed and reiterated the general findings stated in the report to the 1994 Session that it was imperative that the continue to examine the issue of mandating criminal history checks of child day care providers to ensure the safety of all children in child care. More than thirty states perform some checks and the federal government has recently enacted legislation that inform states of what procedures are necessary if they seek to perform checks of the federal criminal record. (See the report to the 1994 Session for background information on the federal legislation and on other states' efforts in this area.) The bill, House Bill 1512, drafted upon the recommendation of the Committee and considered by the 1994 Session contained provisions for checks of the Central Registry of Child Abuse and Neglect and for FBI federal criminal record checks. The bill was amended and passed the House of Representatives on the last day of the 1994 Session without these provisions. The Committee found that the amended version was the most prudent and left out the Central Registry checks and the FBI record checks. It also retained the study of the use of the Central Registry that had been amended into the bill.

The Committee recommends also that the General Assembly pay close attention to the rules adopted by the North Carolina Child Day Care Commission, in consultation

with the Division of Child Development and the Division of Criminal Information of the Department of Justice, to ensure that they reflect the wishes of the legislature to ensure both that children in child day care are made safe from people who have a history that demonstrates them to be unfit to have responsibility for the safety and well-being of children and that child day care providers, including employees, owners, licensees, volunteers, and other people with unsupervised access to children, are guaranteed full due process and full fairness.

The bill being recommended places the cost burden for the checks on the provider-employee seeking employment and on the provider-operator seeking licensing, registration, or whatever approval is appropriate for operation. It also specifies that the initial charge is for fingerprinting and a local check (\$10.00) be borne by the providers seeking to be employed or to own or operate child day care. Further charges for the State checks, will be charged these people only if the Department considers the further checks necessary. Although it was made clear that an employer-provider could be hired provisionally after a negative local check until the results of the State check, a member of the Committee voiced some concern that an owner-operator would be unfairly burdened while waiting for the local check, that it would take from three to five days for this check, and that during this time the owner-operator would not be able to hire provisionally and could be thus out of compliance with staff-child ratios and unable to provide proper care. The Committee was reassured by the Attorney General's Office that, generally, the local check was done in from five to ten minutes. (Craven County - five minutes; Swain County - five to ten minutes; Onslow County - ten minutes; Wake County - ten minutes; Mecklenburg County - 24 hours.)

A member of the Committee who is an operator-provider of child care desired that it be made part of the record that she could not vote for this proposal. She requested that the record show that she, and other responsible child care providers, while fully

supporting the need for children in child care to be protected from people with criminal histories of child abuse and neglect, could not support a proposal that did not involve operator-providers in the initial formal process of deciding who should be allowed to be a child care provider, based on the criminal history check, rather than having to wait for input until the informal negotiations process and the formal appeals process.

The draft appropriated \$126,645 for 1995-96 and \$287,865 for 1996-97 to the Department of Human Resources and \$11,882 for 1995-96 and \$47,562 for 1998-97 to the Department of Justice to administer the new law.

RECOMMENDATION 2. A. THE LEGISLATIVE RESEARCH COMMISSION RECOMMENDS THE ENACTMENT OF "AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD CARE COMMITTEE TO INCREASE ELIGIBILITY LIMITS FOR CHILD CARE SUBSIDIES TO ENABLE FAMILIES TO RECEIVE CHILD CARE FOR LONGER AS THEY TRANSITION OFF WELFARE AND TO APPROPRIATE FUNDS. (See APPENDIX D, Legislative Proposal 2.)

B. THE LEGISLATIVE RESEARCH COMMISSION RECOMMENDS THE ENACTMENT OF "AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD CARE COMMITTEE TO AID CERTAIN WORKING PARENTS OF LOW-INCOME CHILDREN WHO ARE NOT CURRENTLY RECEIVING CHILD CARE SUBSIDIES TO RECEIVE SUBSIDIES TO ENABLE THEM TO CONTINUE TO WORK AND TO APPROPRIATE FUNDS. (See APPENDIX D, Legislative Proposal 3.)

The Committee, while acknowledging the benefits of Smart Start, reiterated the findings of the 1991 Legislative Research Commission Study Committee on Child Day Care Issues in its final report to the 1993 General Assembly and its own findings to the

1994 Session that other initiatives were essential, in particular, that increasing the eligibility rates for low-income parents was imperative, regardless of the cost, to enable parents to find and keep gainful employment. To this end it found that a two-part increase was essential, the first part of which would increase eligibility limits for families already receiving subsidies to seventy-five percent of median income to help parents find jobs, and the second part of which would increase the entrance eligibility level for those families initially qualifying for subsidies one "notch" above the present limit. A notch is an amount between one thousand and fifteen hundred dollars, a substantial amount for families working at low wages who are trying to remain employed. Families cannot remain at work if they lose their subsidized child care that enable them to work and rise out of poverty.

The Committee decided to handle this two-part increase in two separate bills, unlike previous years, and to fund each at one million seven hundred thousand dollars each fiscal year. It found that the policy behind each increase was different enough to warrant separate legislative consideration. The first bill, increasing eligibility levels for people already in the system is addressed primarily to families transitioning off welfare and the second, increasing the eligibility level for people newly eligible, is aimed primarily at the working poor who need help to remain self-sufficient and working. Of course, both bills are intimately related in that they both work to get and keep people off welfare.

Both bills carry an appropriation of \$1,700,000 for each fiscal year of the 1995-97 biennium.

RECOMMENDATION 3. THE LEGISLATIVE RESEARCH COMMISSION RECOMMENDS THE ENACTMENT OF "AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD CARE COMMITTEE TO

ESTABLISH THE REQUIREMENTS FOR THE MONTHLY SCHEDULE OF PAYMENTS OF THE PURCHASE OF CHILD CARE SERVICES FOR LOW INCOME CHILDREN AND TO APPROPRIATE FUNDS." (See APPENDIX D, Legislative Proposal 4. See also APPENDIX C for important background materials dealing with the rate structure issue.)

The Committee found that it is was essential to revise the child day care payment rate structure to ensure that rural as well as urban counties can use all the resources, including allocations, available to them, in providing much-needed child care. It endorsed the findings of The 1991 Committee and its own findings in its report to the 1994 Session, after considerable testimony from providers of and advocates for child day care in rural and urban counties, that the best way to provide this insurance was to establish rates that provide incentives to produce quality care and that, in certain cases, include using a statewide market rate. The federal regulations would seem to permit such a ten percent differential to allow such incentives.

The Committee was concerned that the local purchasing agency might use its negotiating discretion in such a way as would be inequitable, that it might not treat similar child care providers the same way. The initial draft was amended to add the following language:

"Local purchasing agencies may establish a single county payment rate for each age group that is used as a payment ceiling for all providers in the county. This single county payment rate may be the county market rate or a lower rate. Providers that charge their private paying parents rates below this single payment rate will be paid the rate they charge their parents. Local purchasing agencies may only establish a county payment rate for the purposes of cost containment or quality enhancement. If a single county payment rate is established, it must be applied to all

providers in the county." This language will be found as subdivision (11) of Section 1 of the draft bill.

The Committee decided to request no appropriation for this legislation because it believed that the cost savings, which could not be determined with existing data, may exceed the known cost. The Committee requested that the Division of Child Development do further research to determine the actual cost savings or costs for the proposals where no data is currently available. The Division will report its results to the appropriate committees during the 1995 General Assembly.

RECOMMENDATION 4. THE LEGISLATIVE RESEARCH COMMISSION RECOMMENDS THE ENACTMENT OF "AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD CARE COMMITTEE TO APPROPRIATE FUNDS TO PROVIDE CHILD CARE RESOURCES AND REFERRAL SERVICES TO CERTAIN COUNTIES UNSERVED BY EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES THAT ARE CURRENTLY UNABLE TO USE ALL THEIR DAY CARE ALLOCATIONS." (See APPENDIX D. Legislative Proposal 5. See also APPENDIX C for a county-by-county costing of operating child care resource and referral services statewide.)

The Committee found that child care resources and referral services provided a vital service to the parents of North Carolina. The child care delivery system in North Carolina is a fragmented array of public and private programs of varying quality and availability. Parents need a single point of access to this system to help them match their family's needs to the services available. Child care providers need training and technical assistance to help them negotiate the myriad local and State regulations and to determine if, where, and how to open a child care business. Because child care resource and referral agencies are community based, they can provide a decentralized

approach to child care information, support, and resource development. They are in a unique positions to provide the infrastructure needed to build a more cohesive child care system.

The cost to provide services statewide is estimated at three million six hundred nineteen thousand three hundred eight additional dollars for each fiscal year of the biennium. Although the Committee initially endorsed statewide implementation, at the last meeting it decided to reduce the amount and the targeted number of counties, to reflect its concern that day care dollars were better used by providing more child care slots than in providing more resource and referral. The revised proposal appropriates \$1,000,000 for resource and referral services for no more than ten counties unserved by Smart Start that are currently unable to use all their day care allocations.

APPENDIX A

HOUSE BILL 1319, 2ND EDITION

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS, AND TO DIRECT VARIOUS STATE AGENCIES TO STUDY SPECIFIED ISSUES.

The General Assembly of North Carolina enacts:

PART I.-----TITLE

Section 1. This act shall be known as "The Studies Act of 1993".

PART II.-----LEGISLATIVE RESEARCH COMMISSION

Sec. 2.1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1993 bill or resolution that originally proposed the issue or study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The topics are:

. . .
(15) Child Care Issues (H.B. 213 - Rogers, S.B. 89 - Walker),

. . . .



APPENDIX B

MEMBERSHIP OF LRC COMMITTEE ON CHILD CARE ISSUES

**CHILD CARE COMMITTEE
MEMBERSHIP
1993 - 1994**

LRC MEMBER: Sen. Frank W. Ballance, Jr.
P.O. Box 616
Warrenton, NC 27589
(919)257-1012

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Asheboro, NC 27203
(910)625-2574

Sen. Austin Allran
P.O. Box 2907
Hickory, NC 28603
(704)324-5200

Ms. Nancy Lamb
1507 Rivershore Road
Elizabeth City, NC 27909

Sen. Jeanne Lucas
3608 Glenn Road
Durham, NC 27704
(919)688-2838

Mr. John Niblock
1318 Dale Street, Suite 110
Raleigh, NC 27605

Sen. Jim Richardson
1739 Northbrook Drive
Charlotte, NC 28216
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Ms. Sue Russell
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APPENDIX C
BACKGROUND ON RATE
ISSUES

DAY CARE RATES

(Section 248 of Chapter 321 of the 1993 Session Laws, as amended by subsection (b) of Section 25.35 of Chapter 769 of the 1993 Session Laws, Regular Session 1994.)

Requested by: Senator Richardson, Representatives Nye, Easterling

DAY CARE RATES

Sec. 248. (a) Rules for the monthly schedule of payments for the purchase of day care services for low-income children shall be established by the Social Services Commission pursuant to G.S. 143B-153(8)a., in accordance with the following requirements:

- (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer than fifty percent (50%) of the enrollees are subsidized by State or federal funds, the State shall continue to pay the same fee paid by private paying parents for a child in the same age group in the same facility.
- (2) Facilities in which fifty percent (50%) or more of the enrollees are subsidized by State or federal funds may choose annually one of the following payment options:
 - a. The facility's payment rate for fiscal year 1985-86; or
 - b. The market rate, as calculated annually by the Division of Child Development in the Department of Human Resources.
- (3) A market rate shall be calculated for each county and for each age group or age category of enrollees and shall be representative of fees charged to unsubsidized private paying parents for each age group of enrollees within the county. The county market rates shall be calculated from facility fee schedules collected by the Division of Child Development on a routine basis. The Division shall also calculate a statewide market rate for each age category. The Social Services Commission shall adopt rules to establish minimum county rates that use the statewide market rates as a reference point.
- (4) Child day care homes as defined in G.S. 110-86(4) and other home-based day care arrangements that are

not required to be regulated by the State licensing agency may be paid the market rate for day care homes, which shall be calculated at least biennially by the Division of Child Development according to the method described in subdivision (3) of subsection (a) of this section.

(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of care in day care facilities for minor children of needy families. No separate licensing requirements shall be used to select facilities to participate. In addition, day care facilities shall be required to meet any additional applicable requirements of federal law or regulations.

Day care homes as defined in G.S. 110-86(4) from which the State purchases day care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of State law or federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

(c) County departments of social services shall continue to negotiate with day care providers for day care services below those rates prescribed by subsection (a) of this section. County departments shall purchase day care services so as to serve the greatest number of children possible with existing resources.

RELATED LEGISLATION

(Section 249 of Chapter 321 of the 1993 Session Laws)
Requested by: Senator Richardson, Representatives Easterling,
Nye

DAY CARE ALLOCATION FORMULA

Sec. 249. (a) To simplify current day care allocation methodology and more equitably distribute State day care funds, the Department of Human Resources shall apply the following

From
Sec.
25.35(h),
Chapter
769, 1994
S.L.

not required to be regulated by the State licensing agency may be paid the market rate for day care homes, which shall be calculated at least biennially by the Division of Child Development according to the method described in subdivision (3) of subsection (a) of this section.

(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of care in day care facilities for minor children of needy families. No separate licensing requirements shall be used to select facilities to participate. In addition, day care facilities shall be required to meet any additional applicable requirements of federal law or regulations.

Day care homes as defined in G.S. 110-86(4) from which the State purchases day care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of State law or federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

(c) County departments of social services shall continue to negotiate with day care providers for day care services below those rates prescribed by subsection (a) of this section. County departments shall purchase day care services so as to serve the greatest number of children possible with existing resources.

RELATED LEGISLATION

(Section 249 of Chapter 321 of the 1993 Session Laws)

Requested by: Senator Richardson, Representatives Easterling, Nye

DAY CARE ALLOCATION FORMULA

Sec. 249. (a) To simplify current day care allocation methodology and more equitably distribute State day care funds, the Department of Human Resources shall apply the following

From
Saa.
25.35(b),
Chapter
169, 1999
S.L.

allocation formula to all noncategorical federal and State day care funds used to pay the costs of necessary day care for minor children of needy families:

- (1) One-third of budgeted funds shall be distributed according to the county's population in relation to the total population of the State;
- (2) One-third of the budgeted funds shall be distributed according to the number of children under 6 years of age in a county who are living in families whose income is below the State poverty level in relation to the total number of children under 6 years of age in the State in families whose income is below the poverty level; and
- (3) One-third of budgeted funds shall be distributed according to the number of working mothers with children under 6 years of age in a county in relation to the total number of working mothers with children under 6 years of age in the State.

(b) A county's initial allocation shall not be less than that county's initial allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of Chapter 500 of the 1989 Session Laws. However, if the total amount available to allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a county's allocation may be less than the county's initial allocation was in that fiscal year.

(Section 253 of Chapter 321 of the 1993 Session Laws.)

Requested by: Senator Richardson, Representatives Gardner, Easterling, Nye

COUNTY DAY CARE ENCOURAGEMENT

Sec. 253. (a) The General Assembly encourages all counties to use all their initial child care allocations by actively and aggressively pursuing all existing child care resources currently available. The Department of Human Resources, Division of Child Development, shall reevaluate its allocation/reversion/reallocation timetable to balance equitably the needs of those counties that have had difficulty using their initial allocations in a timely fashion with the needs of those counties who have used the reverted allocations to excellent purpose.

(b) The General Assembly encourages counties to use creative and innovative methods of enriching their existing day care, such as by using volunteers from senior citizen centers in

day care, and to identify any State law or policy bars that may currently exist to these methods.

(c) The General Assembly encourages counties that now provide certain child care payments directly to parents rather than directly to the provider to reevaluate this practice in order to ensure that the method of payment properly reflects both the needs of the individual families and the day care community.

(d) The Department of Human Resources shall report quarterly to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office on the implementation of this section.

(Section 25.35 of Chapter 769 of the 1993 Session Laws, Regular Session 194.)

Requested by: Representatives Easterling, Nye, Dickson, Esposito, Senators Richardson, Walker

DAY CARE RATE CLARIFICATION

Sec. 25.35. (a) The 1993 Legislative Research Commission Study Committee on Child Care shall study the whole issue of day care rates to determine whether the rate structure needs to be amended or overhauled. This study shall include an examination of whether county departments of social services are using a provider's failure to comply with requirements in addition to those specified in subsection (b) of Section 248 of Chapter 321 of the 1993 Session Laws as a condition for reducing the provider's subsidized child day care rates.

The Committee shall include the results of this study, including any legislative recommendations, in its report to the Legislative Research Commission for transmittal to the 1995 General Assembly.

(b) Subsection (b) of Section 248 of Chapter 321 of the 1993 Session Laws reads as rewritten:

(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of care in day care facilities for minor children of needy families. No separate licensing requirements shall be used to select facilities to participate. In addition, day care facilities shall be required to meet any additional applicable requirements of federal law or regulations.

Day care homes as defined in G.S. 110-86(4) from which the State purchases day care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of

day care, and to identify any State law or policy bars that may currently exist to these methods.

(c) The General Assembly encourages counties that now provide certain child care payments directly to parents rather than directly to the provider to reevaluate this practice in order to ensure that the method of payment properly reflects both the needs of the individual families and the day care community.

(d) The Department of Human Resources shall report quarterly to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office on the implementation of this section.

(Section 25.35 of Chapter 769 of the 1993 Session Laws, Regular Session 194.)

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Day care homes as defined in G.S. 110-86(4) from which the State purchases day care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of

State law or federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child day care rate.'

See amended "child care rate law," 2.1 of handbook.

DAY CARE RATES

TYPES OF RATES

State law allows several options for payment rates for providers who offer day care to children in the State's subsidized day care program. The options available to the child care provider depend on the type of provider and the population of children served by that provider.

Child day care homes, which are required to be regulated by the State, and individuals approved by the county department of social services may be paid any amount up to the county market rate established for home-based day care.

Day care facilities have more choices. Day care facilities are large day care homes and day care centers which are licensed to care for 6 or more preschool children. The amount that a provider is eligible to receive usually depends on the number of subsidized children served by the facility. The majority of day care facilities fall into one of the following two categories:

1. **Facilities which serve more nonsubsidized children than subsidized children:** When most of the children enrolled in a day care facility are not receiving any type of state or federal day care subsidy, this facility is referred to as a Category A facility. A Category A facility subsidized rate may be the same rate which the provider charges to nonsubsidized parents for a child in the same age group. The State places no limits on the rates paid to these providers because these providers' charges are limited to the amount that nonsubsidized families in the community are willing to pay.
2. **Facilities in which at least half of the children are subsidized:** When half or more of the children are subsidized with state or federal day care funds, the facility is called a Category B facility. Payments to most Category B facilities are limited to the county market rates.

In addition to the options described above, day care homes and day care facilities may be paid higher rates for children with special needs.

All of the options allowed by state law define the maximum rates which the State will pay a type of provider. The rates for each specific facility are established by the Division of Child Development according to the provider's eligibility for Category A or B type rates, the ages of children served by the facility and the hours the program operates; i.e., does it offer full-time or part-time care, is it open for more than one shift, etc. The rates established by the Division are the provider's approved rates and are the maximum rates which may be paid to that provider.

The rate actually paid to the provider is determined by the provider and the county department of social services. The special provision language encourages county departments to negotiate lower rates with providers. Some counties negotiate rates; others don't. Some counties pay a flat rate across the board to all providers; some pay a percentage of the provider's approved rates; others negotiate according to the particular child's needs.

All of the provisions described above are allowed by **state law** and can apply to subsidized day care purchased with state funds or federal Social Services Block Grant (SSBG) funds. The other federal funding sources have different limits on the rates for day care. Except for special needs children, all of the federal **Title IV-A funded** child care is limited to the provider's charge, not to exceed the county market rate. Title IV-A funds are used to pay for child care for Family Support Act (FSA) clients, such as working AFDC recipients, JOBS participants, and Transitional Child Care recipients, as well as the At Risk child care for non-AFDC working parents. The state plan for the Child Care and Development Block Grant (CCDBG) also limits the use of federal funds to the provider's charge, not to exceed the county market rate. Although the CCDBG regulations allow other options for establishing payment rates, the State elected to be consistent with the Title IV-A requirements when the federal agency would not approve use of the Category A and B method for facilities. The CCDBG regulations allow different rate ceilings for different types of providers (centers, homes, relatives, etc.) or for higher quality care, but do not allow for a dual rate structure for the same type of provider offering the same level of care.

In summary, State law allows the most options for day care rates. Federal Title IV-A child care regulations are the most restrictive.

HOW MARKET RATES ARE ESTABLISHED

Market rates are established annually by the Division of Child Development for two types of child care arrangements; day care facilities and home-based day care. As described in the overview of rates, facilities are large homes and centers; home-based care includes state regulated small day care homes as well as informal care in a home setting that is not required to be regulated by the State. Most of the federal funding sources allow care to be purchased from individuals who do not have to be licensed, such as child care provided by grandparents or other relatives.

Market rates are calculated from information about fees charged for nonsubsidized care by state regulated centers and homes. The fee information is collected by the licensing consultant whenever the consultant makes a routine visit to the facility or home.

All market rates are calculated according to the federal requirements for the Family Support Act. The FSA child care regulations require that the market rate be the 75th percentile of rates charged for the type of care within a political subdivision. The regulations further require that the market rates reflect variations in the cost of care in the local area by type of provider and by age of child. North Carolina has separate market rates for each county, for two types of providers and for four age groups of children. A copy of each of the two market rate tables for SFY 1992-93 is attached.

Use of the 75th percentile has probably been the most misunderstood concept about the market rates. Although percentile means a rank order distribution of the rates, many people still believe the market rates represent only 75% of the "average rate". Prior to the Family Support Act, North Carolina used a mean average to calculate market rates. In most instances, 75th percentile rates are higher than mean average rates.

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Although the rates for both facilities and homes are calculated on the 75th percentile, the methods used differ somewhat. These differences are described below:

Facilities: The two factors used to calculate facility rates are the number of nonsubsidized children in an age group enrolled in day care facilities in the county and the rate paid by the parents of each of those children. A formula is applied which ranks all of the rates for those children from low to high and selects the amount at which fees paid by 75% of the nonsubsidized families are equal to or below that amount. These two factors help the market rates reflect the costs most parents are choosing to pay and diffuse the effect of one facility whose rates are much higher or much lower than the norm.

Homes: Because of the smaller numbers of children in a day care homes, the factors used to establish home-based market rates are the rates charged by each home in the county.

In addition to market rates for each county, the Division of Child Development calculates rates for six regional groups of counties. A regional rate is assigned as the county market rate when there are too few homes or too few children in a certain age group to establish a rate for that county.



North Carolina Department of Human Resources
101 Blair Drive • Post Office Box 29526 • Raleigh, North Carolina 27626-0526
Fax (919) 733-7447 • Courier 56-20-00

James B. Hunt Jr., Governor

C. Robin Britt, Sr., Secretary

September 16, 1994

The Honorable Marc Basnight, Co-Chairman
Joint Legislative Commission on Governmental Operations
President Pro Tempore of the Senate

The Honorable Daniel T. Blue, Jr., Co-Chairman
Joint Legislative Commission on Governmental Operations
Speaker of the House of Representatives
State Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601

Dear Representative Blue and Senator Basnight:

Pursuant to Section 253 of Senate Bill 27, I am submitting the enclosed fourth quarter report on county day care encouragement activities. This report describes the implementation of the legislative provision that encourages counties to examine local policy and practices which may inhibit full use of available child care resources. Please let me know if you seek additional information.

With warmest regards,

A handwritten signature in cursive script that reads "Robin Britt".

C. Robin Britt, Sr.

Enclosure

cc: Linda Powell
Tom Covington
Carol Shaw
Legislative Libraries
Ed Turlington
Peter Leousis
Brad Wilson

Bonnie Allred
James B. Edgerton
Stephanie Fanjul
Lee Kittredge
Jim Holl
Jim McCleskey

**ENCOURAGING QUALITY
CHILD CARE THROUGHOUT
NORTH CAROLINA**

SFY 1993-94

REPORT TO THE

JOINT LEGISLATIVE COMMISSION

ON GOVERNMENTAL OPERATIONS

N. C. DEPARTMENT OF HUMAN RESOURCES

September, 1994

ENCOURAGING QUALITY CHILD CARE

In 1993 and 1994, the North Carolina General Assembly enacted legislation to improve the availability of high-quality child care and other early childhood development programs through a variety of initiatives, such as Smart Start, funds to increase rates and serve more children eligible for subsidized child care, supplemental Head Start funds and provisions allowing federal funds to be used in a revolving loan account for child care providers. This report describes the activities related to Section 253 of Senate Bill 27 which encourages counties to examine local policy and practices which may inhibit full use of available child care resources. The concepts contained in this Special Provision were developed and proposed by the 1991 Legislative Research Commission's Committee on Child Care Issues.

Specifically, the special provision encourages each county to (1) develop local resources in order to be able to spend all of the county's allocation for subsidized child care, (2) use creative methods to enrich existing child care and (3) re-evaluate the county's use of payment options for subsidized child care.

ENCOURAGING TRENDS IN SFY 1993-94

Use of County Allocations: Sixty-two counties spent all their initial allocations in 1993-94 as compared to only 32 counties in 1992-93. This trend is especially promising in that initial allocations for 93-94 included about \$1.5 million more than the initial allocations for the previous year. Counties which previously reverted funds reported increases in demand for the services, which some attributed to change in the State's economy.

In addition to the initial allocations, most counties received additional funds throughout the year. Early in the year, each county received a portion of the funds appropriated by the General Assembly to help defray the cost of implementing the change in staff/child ratios for infants and toddlers which became effective January 1, 1994. Each county also benefited from a slight increase in the federal allotment of the Child Care and Development Block Grant in October.

It became apparent early in the year that county waiting lists had significantly increased over the previous year and that many counties were having difficulty maintaining services to children currently receiving subsidies. Also apparent was a decrease in the growth rate for certain public assistance programs, including child care for families receiving AFDC (usually referred to as Family Support Act or FSA-funded child care). The demand for FSA child care stayed fairly constant while the need for child care to support other low income families began to increase at a precipitous rate. In response, the Department obtained approval to transfer about \$4 million budgeted for support to public assistance programs to be used for subsidized child care. Although counties initially received about

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It became apparent early in the year that county waiting lists had significantly increased over the previous year and that many counties were having difficulty maintaining services to children currently receiving subsidies. Also apparent was a decrease in the growth rate for certain public assistance programs, including child care for families receiving AFDC (usually referred to as Family Support Act or FSA-funded child care). The demand for FSA child care stayed fairly constant while the need for child care to support other low income families began to increase at a precipitous rate. In response, the Department obtained approval to transfer about \$4 million budgeted for support to public assistance programs to be used for subsidized child care. Although counties initially received about

\$50.5 million, additional funds provided during the year enabled them to spend more than \$56.5 million for non-FSA child care.

Additional appropriations and approval by the General Assembly in 1994 to continue to use excess state funds budgeted for FSA child care helped to assure that most counties will be able to maintain the level of subsidized child care funding available to them in 1993-94. Counties which receive a portion of the \$4 million appropriated to enhance subsidized care may be able to increase the number of children served or improve the quality of care provided by paying higher rates.

Development of Local Resources: The influence of Smart Start has already been felt in counties yet to be selected. Many counties have already formed local partnerships and have teams working to assess the county's needs and resources for young children. This increased communication among children's service providers and advocates has helped to pool available resources, encourage the expansion of needed services, and make information more accessible to families.

Demand for the Division's regulatory services has increased in counties contiguous to Smart Start counties as child care providers expand their capacity or upgrade to higher standards in order to meet the needs of families who live or work across county lines. Counties such as Gates and Bertie now have access to more regulated child care spaces, perhaps helped along by their proximity to the Smart Start Counties of Halifax and Hertford.

Assessment of Subsidized Child Care Policies: Counties are encouraged by the special provision to identify state law and policy which are barriers to using creative methods to enrich child care. The State Day Care Committee of the N.C. Social Services Directors' Association has identified the current system of rates for subsidized child care as a barrier to recruiting and retaining providers of high quality child care. The Division of Child Development is currently studying the rate structure and its impact on child care for the purpose of identifying the barriers and developing solutions or recommendations for policy changes to address the problems. Members of the study group include representatives of a variety of county departments of social services, a provider of subsidized child care, and child advocates. Recommendations from this group regarding changes needed to provide a rate structure to support high quality subsidized care are expected to be presented to the Department in September. As the result of the study process, some practices and policies related to the current payment system have been simplified or discontinued at the request of local agencies, such as eliminating a requirement that counties wait 30 days to implement rate changes or give written notice if they want to implement them sooner.

The large increase in the subsidized child care program over the past three years has strained local cash flow systems. This year the Division began making interim payments to counties early each month so that the county no longer has to float the entire monthly

child care cost. The interim payment consists of 85% of the county's average monthly expenditure.

Evaluation of County Payment Options: The first report included a description of the payment options currently available for subsidized care. Briefly, the only option available in most situations is a payment by the county to the child care provider. In a few situations, payments may be made directly to the parent. The latter option used to be available only to current and former AFDC recipients; it is now available to a few other families when child care is provided in the child's own home and for families who choose church-operated child care providers who otherwise meet the requirements for a subsidized child care provider but do not wish to be the direct recipient of public funds.

The Division of Child Development is in the beginning phase of developing a new automated information and payment system to support child care and other early childhood programs. County staff participating in the project have identified the need for flexible payment options, including the capacity to make direct payments from the state to child care providers and individuals. It is expected that development and implementation of the new system will take about two years.

ALLOCATION/REVERSION/REALLOCATION TIMETABLE AND PROCESS

The "County Encouragement" provision directs the Department of Human Resources to evaluate its timetable for allocating and reallocating funds to the counties to achieve a schedule which provides timely reallocation of funds to counties which need additional funds to maintain services to families, but which allows underspending counties adequate time to develop their programs.

Allocations: The schedule and method for issuing initial allocations of child care services funds to the 100 counties are determined by a combination of state law and legislative process. The Department of Human Resources is required by law to provide, by February 15, projected county allocation amounts for the next state fiscal year. The projected allocation amounts are revised according to actual funding approved by the General Assembly each year and are issued upon receipt of the annual certified budget.

Most of the non-entitlement funds for subsidized child care are initially distributed to the counties according to the three-factor formula established by state law for non-categorical day care funds. One source of federal funds, the Title IV-A At-Risk Child Care Grant, may be used only for child care for very low income working parents at risk of welfare dependency without child care assistance. Because of the limitations on the use of these funds, the At-Risk Child Care Grant is distributed to counties according to their ability to use the funds.

The following formula is used to determine the counties' fair share of all other non-entitlement funds: (1) total county population compared to state population; (2) number

child care cost. The interim payment consists of 85% of the county's average monthly expenditure.

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The following formula is used to determine the counties' fair share of all other non-entitlement funds: (1) total county population compared to state population; (2) number

of poor children under age six in the county; and (3) number of working mothers with children under age six in the county. Since the special provision containing the allocation formula also has a "hold-harmless" clause, most counties' fair share must be reduced to have enough money to meet the "hold-harmless" requirements for 27 counties.

Reversions: When counties receive their initial allocations of child care funds, they notify the Division of Child Development of the amount the county has budgeted to spend for child care in the state fiscal year. Some counties receive more than they are able to use; most need far more than they get. The funds which a county does not budget revert to the Division to be reallocated to counties which need more funds.

County expenditures are monitored each month, and at the end of each quarter, a portion of the unspent funds revert to the Division for reallocation. Before SFY 1994, most reversions were voluntary. If a county was underspending its allocation, the Division contacted the county and requested release of the unspent funds. Many counties were cautious about releasing funds until late in the year. Consequently, counties needing additional funds were left in suspense, then had to spend large amounts of reallocated funds in the last quarter. The effect of this practice was lack of continuity in services to families throughout the fiscal year or from one fiscal year to the next.

New Reversion Procedures: For SFY 1993-94, the Division of Child Development, with input from the Day Care Committee of the N.C. Social Services Directors and the N.C. Social Services Associations, developed a new procedure for reversion of child care services funds. The new procedure was designed work as follows:

1. Unbudgeted funds from a county's initial allocation revert, but are considered voluntary reversions.
2. At the end of each quarter of the fiscal year, county spending is evaluated and funds are automatically reverted if the county spent less than 95% of one-fourth of its allocation.
3. Automatic reversions include both a portion of the unspent funds from the previous quarter and prospective reversions from the county's remaining allocation.
4. Automatic reversions occur at the end of each quarter, but the percentage of funds taken changes as the year progresses.

The Division monitored the results of the new procedure each quarter, and modified the procedures after the second quarter to accommodate changes in the subsidized care program. The reversion process worked well for counties which spend at a fairly constant level and for counties which follow the standard pattern (higher spending in the summer months than in the other three quarters). The procedure worked less well for counties with developing programs and rapidly increasing spending patterns. As mentioned at beginning of this report, a number of counties increased their ability to spend their

allocations this year and were caught off-guard by the automatic reversion process. To correct the problem, the Department used some of the funds borrowed from public assistance programs to replace the funds needed by these counties.

Because of the large number of counties spending all of their allocation, no funds were reverted after the third quarter. The borrowed funds were used to meet the needs of counties needing additional allocations.

Smart Start counties were excluded from the automatic reversion process in the first quarter, but not in the second quarter. Smart Start counties continued to be eligible for reallocations, according to the same criteria used for other counties.

The immediate result of the new reversion process was that substantial amounts of money were moved early in the year to counties which needed them. Under the former procedure, these funds would not have been moved until the third or fourth quarter. The Division is working with the Director's Committee this Fall to develop modifications to the procedure which will better anticipate the spending patterns of counties with expanding programs.

Reallocations: All reverted funds are reallocated to counties according to the following priorities:

1. Counties which voluntarily revert funds and then need more.
2. Counties which need more funds in order to maintain the current level of services.

At the end of the year, the Division makes a final allocation to counties to match actual expenditures for the state fiscal year. At that time, counties spending less than the allocation amount will have allocations reduced to the actual expenditure amount. Overspending counties will have allocations increased up to the remaining amount available in state and federal funds for the state fiscal year in proportion to the county's original allocation amount. Excess expenditures are the responsibility of the individual counties. In SFY 1993-94, there were no excess expenditures. The Department was able to cover all county expenditures.

STUDY OF COUNTY ALLOCATIONS

In an effort to determine the reasons why some counties have difficulty using all their allocations, Day Care Services Association, Inc., a non-profit child care support agency based in Orange County, conducted a study of underspending counties this past year. The goals of the study were to identify state and county factors which affect spending at the county level and develop recommendations to address problems in the current system.

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The study was guided by an advisory committee composed of state and local public and private agency individuals and child advocates. Some of the issues studied included the allocation formula, state reversion and reallocation processes and policies, subsidized child care policy and administrative structure, payment rates, the availability of state and local administrative resources, parent and provider outreach efforts, county demographics, and local commitment to quality.

The results and recommendations from this study will be presented later this year to the Legislative Study Commission on Child Care Issues.

CONCLUSIONS

There is less money available for non-entitlement subsidized care at the present time than was spent by the counties last year. This primarily is because the Department was given approval late in SFY 1994 to move an additional \$800,000 from FSA child care to non-FSA child care, an action which occurred long after the request had been made to the 1994 Session for additional funds to match the 1994 funding level. However, the FSA child care need continues to grow slowly. It appears likely that additional funding can be sought from that source to make the funding level for SFY 1995 equal to the amount spent last year.

The real dilemma may be the inability to maintain services to the same number of children. Traditionally, rate increases mean that fewer children are served when the funding level is constant. Rates for subsidized care tend to increase by 3% to 5% each year. Approximately \$2 to \$3 million more would be needed to continue services to the same number of children who received services last year. The \$4 million appropriated in the 1994 Session to help counties serve more children and pay higher rates may help some counties in meeting this need.

ATTACHMENTS

Attachments to this report are:

- I. Section 253 of Senate Bill 27:...COUNTY DAY CARE ENCOURAGEMENT**
- II. Comparisons of County Expenditures for SFY 1992-93 and 1993-94**
 - A. Chart # 1 --Comparison of Allocations and Spending**
 - B. Chart # 2 --Percentages of Counties Spending Initial Allocation**
 - C. Chart # 3 --County by County Expenditure Report**

- relation to the total number of children under 6 years of age in the State in families whose income is below the poverty level; and
- (3) One-third of budgeted funds shall be distributed according to the number of working mothers with children under 6 years of age in a county in relation to the total number of working mothers with children under 6 years of age in the State.

(b) A county's initial allocation shall not be less than that county's initial allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of Chapter 500 of the 1989 Session Laws. However, if the total amount available to allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a county's allocation may be less than the county's initial allocation was in that fiscal year.

Requested by: Senator Richardson, Representatives Nye, Easterling
DHR EMPLOYEES/IN-KIND MATCH

Sec. 250. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary of the Department of Human Resources may assign employees of the Office of Rural Health and Resource Development to serve as in-kind match to nonprofit corporations working to establish health care programs that will improve health care access while controlling costs.

Requested by: Senator Richardson, Representatives Easterling, Nye
COMMUNITY-BASED ALTERNATIVES PARTICIPATION

Sec. 251. County governments participating in the Community-Based Alternatives Program shall certify annually to the Division of Youth Services, Department of Human Resources, that Community-Based Alternatives Aid to Counties shall not be used to duplicate or supplant other programs within the county.

Requested by: Senator Richardson, Representatives Nye, Easterling
SUPPLEMENTAL HEAD START FUNDS

Sec. 252. Supplemental Head Start funds appropriated in this act to the Department of Human Resources shall continue to be allocated to those counties currently receiving these funds.

Requested by: Senator Richardson, Representatives Gardner, Easterling, Nye
COUNTY DAY CARE ENCOURAGEMENT

Sec. 253. (a) The General Assembly encourages all counties to use all their initial child care allocations by actively and aggressively pursuing all existing child care resources currently available. The Department of Human Resources, Division of Child Development, shall reevaluate its allocation/reversion/reallocation timetable to balance equitably the needs of those counties that have had difficulty using their initial allocations in a timely fashion with the needs of those counties who have used the reverted allocations to excellent purpose.

(b) The General Assembly encourages counties to use creative and innovative methods of enriching their existing day care, such as by using volunteers from senior citizen centers in day care, and to identify any State law or policy bars that may currently exist to these methods.

(c) The General Assembly encourages counties that now provide certain child care payments directly to parents rather than directly to the provider to reevaluate this practice in order to ensure that the method of payment properly reflects both the needs of the individual families and the day care community.

(d) The Department of Human Resources shall report quarterly to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office on the implementation of this section.

C-17

- relation to the total number of children under 6 years of age in the State in families whose income is below the poverty level; and
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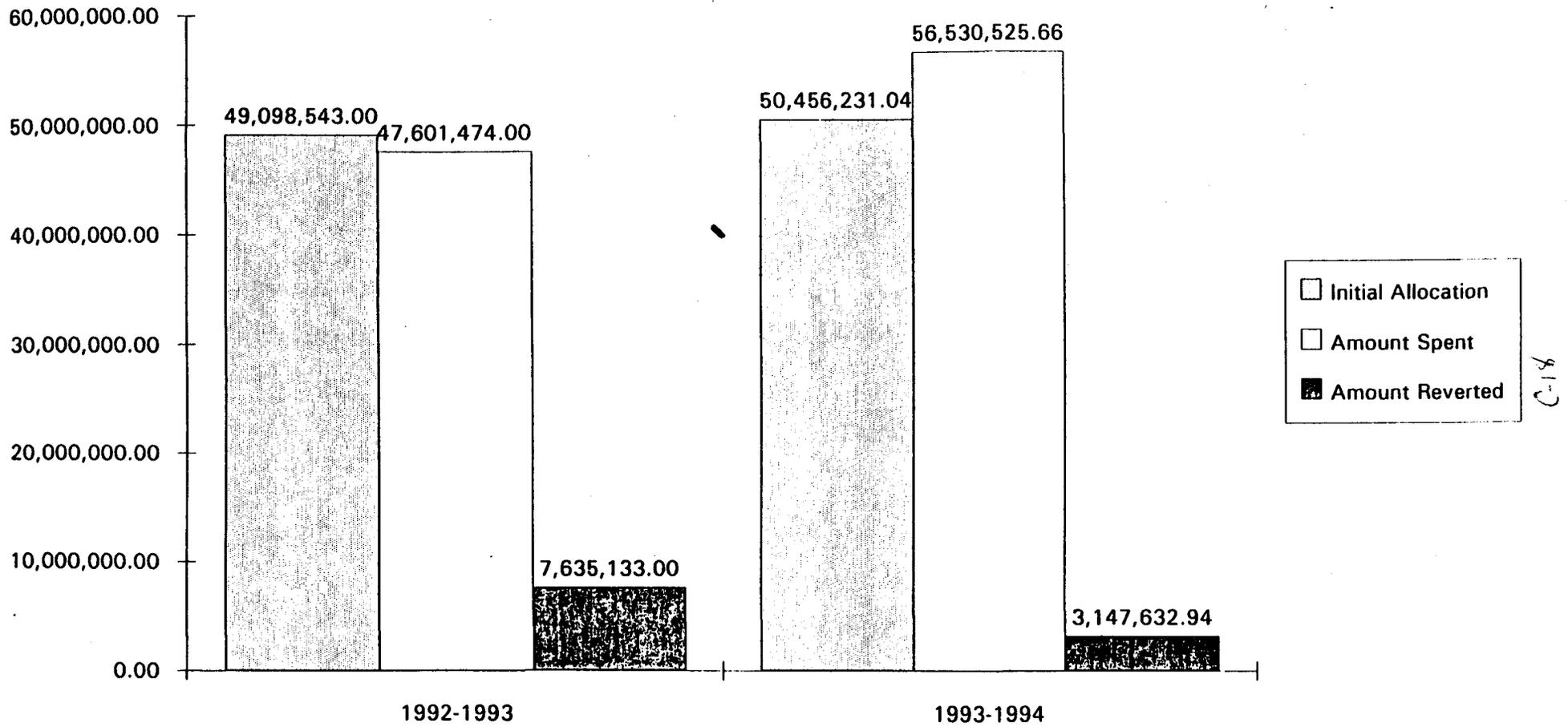
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Child Care Expenditures-Chart #1

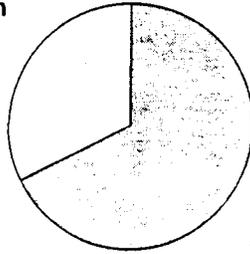


Allocations were increased to most counties during SFY 1993-94 . This money was appropriated to defray the cost of implementing changes in child/staff ratios for infants and to help counties maintain subsidized care services.

Child Care Expenditures-Chart #2

1992-1993 Allocation

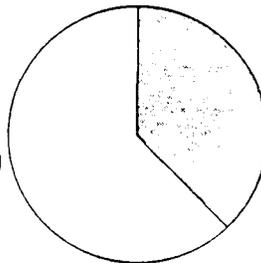
Counties Using
Full Allocation
32%



Counties
Spending Less
than Full
Allocation
68%

1993-1994 Allocation

Counties Using
Full Allocation
62%

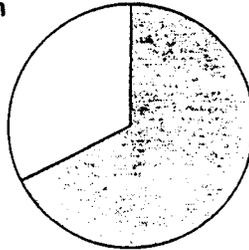


Counties
Spending Less
than Full
Allocation
38%

Child Care Expenditures-Chart #2

1992-1993 Allocation

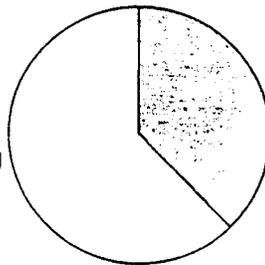
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Counties
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1993-1994 Allocation

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Counties
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than Full
Allocation
38%

COMPARISON OF CHILD CARE EXPENDITURES IN SFY 1993 AND 1994

COUNTY	1992-93	1992-93	AMT OF INITIAL	1993-94	1993-94	AMT OF INITIAL
	INITIAL	SPENT	ALLOC REVERTED	INITIAL	SPENT	ALLOC REVERTED
	ALLOC		1992-93	ALLOC		1993-94
ALAMANCE	669,120	620,414	48,706	669,120	667,293	1,827
ALEXANDER	188,803	151,307	37,496	188,803	199,640	
ALLEGHANY	142,757	118,593	24,164	142,757	104,148	38,609
ANSON	186,604	188,520		186,604	193,623	
ASHE	137,700	99,413	38,287	141,430	151,258	
AVERY	75,000	43,090	31,910	75,000	43,606	31,394
BEAUFORT	339,095	354,359		339,095	405,343	
BERTIE	235,441	244,478		235,441	260,863	
BLADEN	272,298	220,879	51,419	272,298	284,365	
BRUNSWICK	422,381	281,459	140,922	422,381	368,461	53,920
BUNCOMBE	455,464	0		0	0	
BURKE	405,539	362,677	42,862	405,539	511,896	
CABARRUS	600,406	615,301		600,406	665,945	
CALDWELL	397,600	380,495	17,105	403,859	404,154	
CAMDEN	109,548	26,163	83,385	109,548	32,253	77,295
CARTERET	335,829	321,316	14,513	335,829	317,300	18,529
CASWELL	154,343	188,214		154,343	199,633	
CATAWBA	729,368	637,347	92,021	807,067	1,057,450	
CHATHAM	253,503	295,828		253,503	303,055	
CHEROKEE	95,247	6,639		0	0	
CHOWAN	167,479	143,363	24,116	167,479	225,518	
CLAY	109,665	0		0	0	
CLEVELAND	503,861	368,281	135,580	503,861	503,176	685
COLUMBUS	420,750	473,478		420,750	408,821	11,929
CRAVEN	652,029	626,390	25,639	652,029	694,619	
CUMBERLAND	2,215,814	2,662,410		2,215,814	2,270,975	
CURRITUCK	145,912	176,059		145,912	200,506	
DARE	130,576	188,690		170,786	170,903	
DAVIDSON	746,415	629,654	116,761	746,415	739,718	6,697
DAVIE	63,092	0		23,092	0	23,092
DUPLIN	325,816	358,295		325,816	474,458	
DURHAM	1,176,844	924,879	251,965	1,327,006	2,083,660	
EDGECOMBE	529,729	485,318	44,411	529,729	625,156	
FORSYTH	962,260	1,101,516		962,260	1,292,393	
FRANKLIN	263,644	270,107		264,400	333,513	
GASTON	1,173,484	895,614	277,870	1,173,484	1,239,507	
GATES	145,849	63,560	82,289	145,849	150,654	
GRAHAM	76,146	0		0	0	
GRANVILLE	248,260	142,464	105,796	248,260	175,586	72,674
GREENE	199,949	188,100	11,849	199,949	188,422	11,527
GUILFORD	2,308,007	1,941,347	366,660	2,494,591	2,845,651	
HALIFAX	569,182	324,250	244,932	569,182	527,488	41,694
HARNETT	558,665	279,334	279,331	558,665	489,126	69,539
HAYWOOD	73,003	0		0	0	
HENDERSON	388,071	303,495	84,576	388,071	373,123	14,948
HERTFORD	220,245	215,896	4,349	220,245	291,648	
Hoke	194,294	193,934	360	204,084	266,592	
HYDE	193,963	110,519	83,444	193,963	170,915	23,048
IREDELL	563,619	477,966	85,653	563,619	642,300	
JACKSON	53,346	0		0	0	
JOHNSTON	652,500	547,997	104,503	652,500	776,247	
JONES	151,833	105,628	46,205	151,833	164,275	
LEE	371,390	315,232	56,158	371,390	417,141	
LENOIR	409,933	294,248	115,685	409,933	325,368	84,565
LINCOLN	312,220	235,459	76,761	320,732	248,490	72,241
MACON	116,558	0		0	0	

COMPARISON OF CHILD CARE EXPENDITURES IN SFY 1993 AND 1994

COUNTY	1992-93	1992-93	AMT OF INITIAL	1993-94	1993-94	AMT OF INITIAL
	INITIAL	SPENT	ALLOC REVERTED	INITIAL	SPENT	ALLOC REVERTED
	ALLOC		1992-93	ALLOC		1993-94
MADISON	354,084	284,796	69,288	354,084	238,694	115,390
MARTIN	228,170	151,997	76,173	228,170	252,072	
MCDOWELL	162,660	145,036	17,624	172,541	172,607	
MECKLENBURG	3,523,312	8,190,524		4,234,991	7,049,339	
MITCHELL	24,442	24,235	207	24,442	23,393	1,049
MONTGOMERY	179,310	186,984		179,310	215,647	
MOORE	405,291	343,360	61,931	405,291	422,016	
NASH	558,610	492,955	65,655	558,610	622,868	
NEW HANOVER	654,164	817,431		687,210	765,182	
NORTHAMPTON	208,064	188,321	19,743	208,064	288,565	
ONslow	1,121,679	667,987	453,692	1,121,679	837,080	284,599
ORANGE	502,213	559,599		571,058	677,292	
PAMLICO	146,420	97,987	48,433	147,619	165,879	
PASQUOTANK	300,987	108,901	192,086	300,987	273,255	27,732
PENDER	224,695	182,752	41,943	224,695	136,228	88,467
PERQUIMANS	171,227	103,533	67,694	171,227	131,638	39,589
PERSON	180,095	140,431	39,664	186,298	265,354	
PITT	756,481	658,975	97,506	756,481	853,204	
POLK	92,706	77,929	14,777	92,706	101,892	
RANDOLPH	653,111	378,251	274,860	653,111	588,003	65,108
RICHMOND	317,107	276,902	40,205	317,107	277,149	39,958
ROBESON	1,178,659	541,379	637,280	1,178,659	990,904	187,755
ROCKINGHAM	565,667	390,358	175,309	565,667	438,085	127,582
ROWAN	714,849	377,698	337,151	714,849	590,239	124,610
RUTHERFORD	244,522	191,417	53,105	244,522	162,980	81,542
SAMPSON	377,840	180,018	197,822	377,840	288,055	89,785
SCOTLAND	304,195	272,464	31,731	304,195	265,797	38,398
STANLY	338,284	276,940	61,344	338,284	314,359	23,925
STOKES	136,944	159,347		136,944	246,589	
SURRY	373,724	243,963	129,761	373,724	388,372	
SWAIN	93,549	0		0	0	
TRANSYLVANIA	385,309	318,322	66,987	385,823	345,350	40,473
TYRRELL	138,976	20,247	118,729	138,976	38,605	100,371
UNION	509,822	401,812	108,010	509,822	731,408	
VANCE	342,086	346,896		342,086	353,275	
WAKE	2,161,772	2,218,368		2,161,772	2,256,138	
WARREN	224,071	224,116		232,842	316,303	
WASHINGTON	164,903	147,975	16,928	164,903	166,845	
WATAUGA	202,507	178,543	23,964	202,507	141,854	60,653
WAYNE	815,196	555,652	259,544	815,196	490,122	325,074
WILKES	455,135	450,570	4,565	465,654	533,499	
WILSON	453,293	531,290		453,293	532,367	
YADKIN	175,658	212,694		181,450	202,377	
YANCEY	100,866	75,950	24,916	100,866	94,776	6,090
DSS TOTAL	44,823,104	42,594,880	7,076,310	45,050,275	49,731,886	2,522,366
CONTRACT TOTAL	4,275,439	5,006,594	558,823	5,405,956	6,798,639	625,267
GRAND TOTAL	49,098,543	47,601,474	7,635,133	50,456,231	56,530,526	3,147,633
Number of counties spending less than initial allocation			68			38

COMPARISON OF CHILD CARE EXPENDITURES IN SFY 1993 AND 1994

	1992-93	1992-93	AMT OF INITIAL	1993-94	1993-94	AMT OF INITIAL
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WARREN	224,071	224,116		232,842	316,303	
WASHINGTON	164,903	147,975	16,928	164,903	166,845	
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WAYNE	815,196	555,652	259,544	815,196	490,122	325,074
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Number of counties spending less than initial allocation			68			38



North Carolina Department of Human Resources

Division of Child Development

319 Chapanoke Rd. • P. O. Box 29553 • Raleigh, N. C. 27626-0553

Courier Number 56-20-17

James B. Hunt Jr., Governor
C. Robin Britt, Sr., Secretary

Stephanie D. Fanjul, Director

**ADMINISTRATIVE LETTER CHANGE NOTICE NO. 1-94
DIVISION OF CHILD DEVELOPMENT ADMINISTRATIVE LETTER NO. 5-93 AND
DSS ADMINISTRATIVE LETTER NO. EMPLOYMENT PROGRAMS 3-93 AND
DSS ADMINISTRATIVE LETTER NO. PUBLIC ASSISTANCE 9-93**

TO: County Social Services Directors
Directors of Other Day Care Purchasing Agencies
County Day Care Coordinators
JOBS Program Staff
Income Maintenance Staff

FROM: Stephanie D. Fanjul, Director
Division of Child Development

Mary Deyampert, Director
Division of Social Services

SUBJECT: 1994 Market Rates for FSA and Non-FSA Child Day Care

DATE: October 17, 1994

Attached are the market rates for subsidized child day care. The new rates are effective November 1, 1994. The 1994 rates will be used in the same manner as the previous year's rates. For Non-FSA child care, the local purchasing agency must have a revised Approval Notice on file before paying a higher rate. Revised Approval Notices are being prepared for Category B providers and registered homes and copies will be mailed to local purchasing agencies. For FSA child care, an Approval Notice is not needed for payment of child day care services.

In June we indicated that the issuance of market rates was delayed this year for several reasons. At that time we were reviewing a new methodology for determining county market rates. In addition, we were reluctant to proceed with the issuance of rates until the Legislative Session concluded and decisions were finalized regarding legislation that impacted the subsidized care program. The final legislative action did not impact the methodology used in determining payment rates; however, the legislature did require that the Legislative Research Commission on Child Care issues study the subsidized care payment rates. Since we were unable to proceed with the implementation of a new methodology, the market rates were determined using the traditional

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methodology. Adjustments were made in the rates to allow for potential increases in providers' charges since the time the data was collected.

The attached county market rates serve as the *maximum allowable payment* for all Family Support Act funded children regardless of whether the care is in a facility or home-based care. For FSA funded care, local purchasing agency staff may pay the provider's charge up to the county market rate for the age of the child and the type of arrangement. As providers report a change in the amount of their charge, the payment rate may be adjusted up to the new market rate.

For Non-FSA funded children, the county market rate is the maximum allowable payment for Category B facilities, registered day care homes and nonregistered home providers. (For non-FSA children in Category A facilities, the provider may receive the rate charged to private paying parents which is the rate on the Approval Notice.) Even though the attached rates become effective November 1, 1994, local purchasing agencies are not required to implement the rates for Non-FSA child care on that date. Counties that choose to delay implementation are not required to notify the Division of Child Development as in the past.

Counties still have the option of offering the provider a rate which may be lower than the provider's charge or the market rate. However, for FSA-funded care, if the provider refuses to lower the charge, the local purchasing agency must pay the actual cost of care up to county market rate. A statement has been added to the updated Approval Notices for Non-FSA child care to indicate that the Approval Notice rate is the maximum allowable payment but that the local purchasing agency may choose to pay a lower rate. Local purchasing agencies are encouraged to be consistent in their policies regarding attempts to initiate a lower rate of payment with providers. It is recommended that agencies designate certain staff to handle this responsibility to ensure consistency with all providers.

A recent policy revision that also impacts Non-FSA payment rates is the change in the definition of allowable cost. Previously the allowable cost was defined as the rate on the Approval Notice regardless of whether the provider had agreed to accept a lower rate. In those situations in which the family was required to pay a fee for subsidized care services, the amount of the fee was subtracted from the allowable cost even if the provider had agreed to accept a different rate. The policy was revised effective August 1, 1994 to state that the parent fee will now be subtracted from the county payment rate. The county payment rate may be the provider's charge, or the Approval Notice rate, or a lower rate established by the agency. Revised policy material was issued to local purchasing agency staff in August regarding this change.

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October 17, 1994
Page 3

Attached are the market rate charts for homebased and facility care. Also attached are two tables that contain the amounts representing one-half and three quarters of each county market rate. These tables are provided to assist you in determining rates for part-time care. Use of the part-time rate table is optional.

If you have questions about the information in this letter, please contact the staff in the Subsidy Programs Section of the Division of Child Development at (919) 662-4561.

SDF/MKD/NDG

Attachments



1994 MARKET RATES FOR DAY CARE FACILITIES

	County Name	INFANT/TODDLER RATE	TWO YR. OLD RATE	THREE-FIVE YR. OLD RATE	SCHOOL-AGE FULL-TIME RATE (5-12 YR. OLD)
01	ALAMANCE	\$373	\$334	\$327	\$318
02	ALEXANDER	\$412	\$381	\$355	\$303
03	ALLEGHANY	\$289	\$282	\$260	\$257
04	ANSON	\$236	\$236	\$236	\$240
05	ASHE	\$282	\$282	\$257	\$257
06	AVERY	\$327	\$306	\$273	\$264
07	BEAUFORT	\$330	\$328	\$305	\$286
08	BERTIE	\$327	\$309	\$305	\$303
09	BLADEN	\$327	\$281	\$281	\$281
10	BRUNSWICK	\$337	\$337	\$317	\$309
11	BUNCOMBE	\$325	\$325	\$299	\$303
12	BURKE	\$281	\$260	\$250	\$276
13	CABARRUS	\$359	\$318	\$307	\$309
14	CALDWELL	\$354	\$282	\$281	\$250
15	CAMDEN	\$327	\$309	\$305	\$303
16	CARTERET	\$292	\$292	\$268	\$272
17	CASWELL	\$305	\$285	\$281	\$286
18	CATAWBA	\$332	\$322	\$305	\$301
19	CHATHAM	\$410	\$333	\$333	\$309
20	CHEROKEE	\$289	\$282	\$273	\$250
21	CHOWAN	\$350	\$309	\$305	\$303
22	CLAY	\$289	\$282	\$273	\$264
23	CLEVELAND	\$273	\$260	\$259	\$264
24	COLUMBUS	\$248	\$238	\$238	\$264
25	CRAVEN	\$282	\$282	\$281	\$286
26	CUMBERLAND	\$332	\$294	\$294	\$286
27	CURRITUCK	\$327	\$309	\$305	\$303
28	DARE	\$328	\$328	\$327	\$331
29	DAVIDSON	\$309	\$296	\$281	\$286
30	DAVIE	\$318	\$282	\$273	\$273
31	DUPLIN	\$327	\$306	\$305	\$299
32	DURHAM	\$455	\$399	\$389	\$386
33	EDGECOMBE	\$287	\$251	\$250	\$264
34	FORSYTH	\$359	\$341	\$327	\$327
35	FRANKLIN	\$411	\$392	\$359	\$379
36	GASTON	\$316	\$305	\$295	\$299
37	GATES	\$327	\$309	\$305	\$303
38	GRAHAM	\$289	\$282	\$273	\$264
39	GRANVILLE	\$351	\$351	\$350	\$331
40	GREENE	\$327	\$306	\$305	\$299
41	GUILFORD	\$385	\$385	\$340	\$342
42	HALIFAX	\$305	\$285	\$273	\$276
43	HARNETT	\$281	\$273	\$273	\$273
44	HAYWOOD	\$278	\$278	\$260	\$257
45	HENDERSON	\$318	\$314	\$305	\$295
46	HERTFORD	\$327	\$294	\$290	\$303
47	HOKE	\$290	\$273	\$273	\$273
48	HYDE	\$327	\$309	\$305	\$303
49	IREDELL	\$342	\$320	\$299	\$299
50	JACKSON	\$289	\$289	\$281	\$286

1994 MARKET RATES FOR DAY CARE FACILITIES

	County Name	INFANT/ TODDLER RATE	TWO YR. OLD RATE	THREE-FIVE YR. OLD RATE	SCHOOL-AGE FULL-TIME RATE (5-12 YR. OLD)
51	JOHNSTON	\$303	\$281	\$281	\$273
52	JONES	\$327	\$309	\$305	\$303
53	LEE	\$294	\$282	\$281	\$286
54	LENOIR	\$273	\$273	\$259	\$254
55	LINCOLN	\$332	\$319	\$305	\$299
56	MACON	\$305	\$284	\$284	\$284
57	MADISON	\$289	\$282	\$273	\$264
58	MARTIN	\$311	\$294	\$290	\$303
59	MCDOWELL	\$273	\$261	\$261	\$261
60	MECKLENBURG	\$476	\$442	\$437	\$399
61	MITCHELL	\$289	\$282	\$273	\$264
62	MONTGOMERY	\$290	\$281	\$281	\$281
63	MOORE	\$350	\$350	\$312	\$295
64	NASH	\$305	\$296	\$281	\$286
65	NEW HANOVER	\$363	\$345	\$332	\$366
66	NORTHAMPTON	\$327	\$309	\$305	\$303
67	ONSLow	\$282	\$282	\$259	\$264
68	ORANGE	\$550	\$481	\$457	\$432
69	PAMLICO	\$327	\$309	\$305	\$303
70	PASQUOTANK	\$327	\$294	\$290	\$303
71	PENDER	\$327	\$309	\$305	\$303
72	PERQUIMANS	\$327	\$309	\$290	\$303
73	PERSON	\$305	\$285	\$273	\$273
74	PITT	\$346	\$329	\$312	\$318
75	POLK	\$289	\$282	\$273	\$274
76	RANDOLPH	\$305	\$282	\$261	\$264
77	RICHMOND	\$273	\$273	\$273	\$273
78	ROBESON	\$250	\$228	\$228	\$231
79	ROCKINGHAM	\$295	\$281	\$259	\$264
80	ROWAN	\$305	\$305	\$305	\$314
81	RUTHERFORD	\$282	\$282	\$281	\$286
82	SAMPSON	\$250	\$237	\$236	\$240
83	SCOTLAND	\$305	\$282	\$281	\$281
84	STANLY	\$305	\$296	\$286	\$295
85	STOKES	\$350	\$328	\$318	\$303
86	SURRY	\$268	\$249	\$249	\$240
87	SWAIN	\$289	\$287	\$273	\$264
88	TRANSYLVANIA	\$271	\$268	\$273	\$264
89	TYRRELL	\$327	\$309	\$305	\$303
90	UNION	\$346	\$303	\$295	\$295
91	VANCE	\$292	\$292	\$286	\$272
92	WAKE	\$450	\$407	\$390	\$386
93	WARREN	\$305	\$285	\$281	\$286
94	WASHINGTON	\$327	\$309	\$305	\$303
95	WATAUGA	\$305	\$305	\$290	\$351
96	WAYNE	\$287	\$287	\$281	\$264
97	WILKES	\$306	\$306	\$266	\$264
98	WILSON	\$305	\$282	\$281	\$286
99	YADKIN	\$282	\$282	\$264	\$268
100	YANCEY	\$289	\$282	\$273	\$264

1994 MARKET RATES FOR DAY CARE FACILITIES

	County Name	INFANT/ TODDLER RATE	TWO-YR OLD RATE	THREE-FIVE YR-OLD RATE	SCHOOL-AGE FULL-TIME RATE (5-12YR OLD)
51	JOHNSTON	\$303	\$281	\$281	\$273
52	JONES	\$327	\$309	\$305	\$303
53	LEE	\$294	\$282	\$281	\$286
54	LENOIR	\$273	\$273	\$259	\$254
55	LINCOLN	\$332	\$319	\$305	\$299
56	MACON	\$305	\$284	\$284	\$284
57	MADISON	\$289	\$282	\$273	\$264
58	MARTIN	\$311	\$294	\$290	\$303
59	MCDOWELL	\$273	\$261	\$261	\$261
60	MECKLENBURG	\$476	\$442	\$437	\$399
61	MITCHELL	\$289	\$282	\$273	\$264
62	MONTGOMERY	\$290	\$281	\$281	\$281
63	MOORE	\$350	\$350	\$312	\$295
64	NASH	\$305	\$296	\$281	\$286
65	NEW HANOVER	\$363	\$345	\$332	\$366
66	NORTHAMPTON	\$327	\$309	\$305	\$303
67	ONSLow	\$282	\$282	\$259	\$264
68	ORANGE	\$550	\$481	\$457	\$432
69	PAMLICO	\$327	\$309	\$305	\$303
70	PASQUOTANK	\$327	\$294	\$290	\$303
71	PENDER	\$327	\$309	\$305	\$303
72	PERQUIMANS	\$327	\$309	\$290	\$303
73	PERSON	\$305	\$285	\$273	\$273
74	PITT	\$346	\$329	\$312	\$318
75	POLK	\$289	\$282	\$273	\$274
76	RANDOLPH	\$305	\$282	\$261	\$264
77	RICHMOND	\$273	\$273	\$273	\$273
78	ROBESON	\$250	\$228	\$228	\$231
79	ROCKINGHAM	\$295	\$281	\$259	\$264
80	ROWAN	\$305	\$305	\$305	\$314
81	RUTHERFORD	\$282	\$282	\$281	\$286
82	SAMPSON	\$250	\$237	\$236	\$240
83	SCOTLAND	\$305	\$282	\$281	\$281
84	STANLY	\$305	\$296	\$286	\$295
85	STOKES	\$350	\$328	\$318	\$303
86	SURRY	\$268	\$249	\$249	\$240
87	SWAIN	\$289	\$287	\$273	\$264
88	TRANSYLVANIA	\$271	\$268	\$273	\$264
89	TYRRELL	\$327	\$309	\$305	\$303
90	UNION	\$346	\$303	\$295	\$295
91	VANCE	\$292	\$292	\$286	\$272
92	WAKE	\$450	\$407	\$390	\$386
93	WARREN	\$305	\$285	\$281	\$286
94	WASHINGTON	\$327	\$309	\$305	\$303
95	WATAUGA	\$305	\$305	\$290	\$351
96	WAYNE	\$287	\$287	\$281	\$264
97	WILKES	\$306	\$306	\$266	\$264
98	WILSON	\$305	\$282	\$281	\$286
99	YADKIN	\$282	\$282	\$264	\$268
100	YANCEY	\$289	\$282	\$273	\$264

**1994 Day Care Facility Market Rates
Part-Time Rate Table**

	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three - Five Y.O. Rates			School-Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
1	ALAMANCE	\$373	\$280	\$186	\$334	\$250	\$167	\$327	\$245	\$163	\$318	\$239	\$159
2	ALEXANDER	\$412	\$309	\$206	\$381	\$286	\$191	\$355	\$266	\$178	\$303	\$227	\$152
3	ALLEGHANY	\$289	\$217	\$144	\$282	\$212	\$141	\$260	\$195	\$130	\$257	\$193	\$129
4	ANSON	\$236	\$177	\$118	\$236	\$177	\$118	\$236	\$177	\$118	\$240	\$180	\$120
5	ASHE	\$282	\$212	\$141	\$282	\$212	\$141	\$257	\$193	\$129	\$257	\$193	\$129
6	AVERY	\$327	\$245	\$163	\$306	\$229	\$153	\$273	\$205	\$137	\$264	\$198	\$132
7	BEAUFORT	\$330	\$247	\$165	\$328	\$246	\$164	\$305	\$228	\$152	\$286	\$214	\$143
8	BERTIE	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
9	BLADEN	\$327	\$245	\$163	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
10	BRUNSWICK	\$337	\$253	\$169	\$337	\$253	\$169	\$317	\$238	\$159	\$309	\$232	\$154
11	BUNCOMBE	\$325	\$244	\$163	\$325	\$244	\$163	\$299	\$224	\$150	\$303	\$227	\$152
12	BURKE	\$281	\$211	\$141	\$260	\$195	\$130	\$250	\$187	\$125	\$276	\$207	\$138
13	CABARRUS	\$359	\$269	\$180	\$318	\$239	\$159	\$307	\$230	\$153	\$309	\$232	\$154
14	CALDWELL	\$354	\$265	\$177	\$282	\$212	\$141	\$281	\$211	\$141	\$250	\$187	\$125
15	CAMDEN	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
16	CARTERET	\$292	\$219	\$146	\$292	\$219	\$146	\$268	\$201	\$134	\$272	\$204	\$136
17	CASWELL	\$305	\$228	\$152	\$285	\$213	\$142	\$281	\$211	\$141	\$286	\$214	\$143
18	CATAWBA	\$332	\$249	\$166	\$322	\$242	\$161	\$305	\$228	\$152	\$301	\$226	\$151
19	CHATHAM	\$410	\$307	\$205	\$333	\$250	\$167	\$333	\$250	\$167	\$309	\$232	\$154
20	CHEROKEE	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$250	\$187	\$125
21	CHOWAN	\$350	\$262	\$175	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
22	CLAY	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
23	CLEVELAND	\$273	\$205	\$137	\$260	\$195	\$130	\$259	\$195	\$130	\$264	\$198	\$132
24	COLUMBUS	\$248	\$186	\$124	\$238	\$179	\$119	\$238	\$179	\$119	\$264	\$198	\$132
25	CRAVEN	\$282	\$212	\$141	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
26	CUMBERLAND	\$332	\$249	\$166	\$294	\$221	\$147	\$294	\$221	\$147	\$286	\$214	\$143
27	CURRITUCK	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
28	DARE	\$328	\$246	\$164	\$328	\$246	\$164	\$327	\$245	\$163	\$331	\$248	\$165
29	DAVIDSON	\$309	\$232	\$154	\$296	\$222	\$148	\$281	\$211	\$141	\$286	\$214	\$143
30	DAVIE	\$318	\$239	\$159	\$282	\$212	\$141	\$273	\$205	\$137	\$273	\$205	\$137
31	DUPLIN	\$327	\$245	\$163	\$306	\$229	\$153	\$305	\$228	\$152	\$299	\$224	\$150
32	DURHAM	\$455	\$341	\$228	\$399	\$299	\$200	\$389	\$292	\$195	\$386	\$290	\$193
33	EDGEcombe	\$287	\$215	\$143	\$251	\$188	\$125	\$250	\$187	\$125	\$264	\$198	\$132
34	FORSYTH	\$359	\$269	\$180	\$341	\$256	\$171	\$327	\$245	\$163	\$327	\$245	\$163
35	FRANKLIN	\$411	\$308	\$206	\$392	\$294	\$196	\$359	\$269	\$180	\$379	\$284	\$190
36	GASTON	\$316	\$237	\$158	\$305	\$228	\$152	\$295	\$221	\$148	\$299	\$224	\$150
37	GATES	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
38	GRAHAM	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
39	GRANVILLE	\$351	\$263	\$176	\$351	\$263	\$175	\$350	\$262	\$175	\$331	\$248	\$165
40	GREENE	\$327	\$245	\$163	\$306	\$229	\$153	\$305	\$228	\$152	\$299	\$224	\$150
41	GUILFORD	\$385	\$289	\$193	\$385	\$289	\$193	\$340	\$255	\$170	\$342	\$257	\$171
42	HALIFAX	\$305	\$228	\$152	\$285	\$213	\$142	\$273	\$205	\$137	\$276	\$207	\$138
43	HARNETT	\$281	\$211	\$141	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
44	HAYWOOD	\$278	\$209	\$139	\$278	\$209	\$139	\$260	\$195	\$130	\$257	\$193	\$129
45	HENDERSON	\$318	\$239	\$159	\$314	\$235	\$157	\$305	\$228	\$152	\$295	\$221	\$148
46	HERTFORD	\$327	\$245	\$163	\$294	\$221	\$147	\$290	\$218	\$145	\$303	\$227	\$152
47	HOKE	\$290	\$218	\$145	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
48	HYDE	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
49	IREDELL	\$342	\$257	\$171	\$320	\$240	\$160	\$299	\$224	\$150	\$299	\$224	\$150
50	JACKSON	\$289	\$217	\$144	\$289	\$217	\$144	\$281	\$211	\$141	\$286	\$214	\$143

**1994 Day Care Facility Market Rates
Part-Time Rate Table**

	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three - Five Y.O. Rates			School-Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
51	JOHNSTON	\$303	\$227	\$152	\$281	\$211	\$141	\$281	\$211	\$141	\$273	\$205	\$137
52	JONES	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
53	LEE	\$294	\$221	\$147	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
54	LENOIR	\$273	\$205	\$137	\$273	\$205	\$137	\$259	\$195	\$130	\$254	\$191	\$127
55	LINCOLN	\$332	\$249	\$166	\$319	\$239	\$160	\$305	\$228	\$152	\$299	\$224	\$150
56	MACON	\$305	\$228	\$152	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142
57	MADISON	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
58	MARTIN	\$311	\$233	\$156	\$294	\$221	\$147	\$290	\$218	\$145	\$303	\$227	\$152
59	MCDOWELL	\$273	\$205	\$137	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
60	MECKLENBURG	\$476	\$357	\$238	\$442	\$332	\$221	\$437	\$328	\$218	\$399	\$299	\$200
61	MITCHELL	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
62	MONTGOMERY	\$290	\$218	\$145	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
63	MOORE	\$350	\$263	\$175	\$350	\$263	\$175	\$312	\$234	\$156	\$295	\$221	\$148
64	NASH	\$305	\$228	\$152	\$296	\$222	\$148	\$281	\$211	\$141	\$286	\$214	\$143
65	NEW HANOVER	\$363	\$272	\$182	\$345	\$259	\$173	\$332	\$249	\$166	\$366	\$275	\$183
66	NORTHAMPTON	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
67	ONSLow	\$282	\$212	\$141	\$282	\$212	\$141	\$259	\$195	\$130	\$264	\$198	\$132
68	ORANGE	\$550	\$413	\$275	\$481	\$361	\$241	\$457	\$343	\$229	\$432	\$324	\$216
69	PAMLICO	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
70	PASQUOTANK	\$327	\$245	\$163	\$294	\$221	\$147	\$290	\$218	\$145	\$303	\$227	\$152
71	PENDER	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
72	PERQUIMANS	\$327	\$245	\$163	\$309	\$232	\$154	\$290	\$218	\$145	\$303	\$227	\$152
73	PERSON	\$305	\$228	\$152	\$285	\$213	\$142	\$273	\$205	\$137	\$273	\$205	\$137
74	PITT	\$346	\$260	\$173	\$329	\$247	\$165	\$312	\$234	\$156	\$318	\$239	\$159
75	POLK	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$274	\$206	\$137
76	RANDOLPH	\$305	\$228	\$152	\$282	\$212	\$141	\$261	\$196	\$131	\$264	\$198	\$132
77	RICHMOND	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
78	ROBESON	\$250	\$187	\$125	\$228	\$171	\$114	\$228	\$171	\$114	\$231	\$173	\$116
79	ROCKINGHAM	\$295	\$221	\$148	\$281	\$211	\$141	\$259	\$195	\$130	\$264	\$198	\$132
80	ROWAN	\$305	\$228	\$152	\$305	\$228	\$152	\$305	\$228	\$152	\$314	\$235	\$157
81	RUTHERFORD	\$282	\$212	\$141	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
82	SAMPSON	\$250	\$187	\$125	\$237	\$178	\$119	\$236	\$177	\$118	\$240	\$180	\$120
83	SCOTLAND	\$305	\$228	\$152	\$282	\$212	\$141	\$281	\$211	\$141	\$281	\$211	\$141
84	STANLY	\$305	\$228	\$152	\$296	\$222	\$148	\$286	\$214	\$143	\$295	\$221	\$148
85	STOKES	\$350	\$262	\$175	\$328	\$246	\$164	\$318	\$239	\$159	\$303	\$228	\$152
86	SURRY	\$268	\$201	\$134	\$249	\$187	\$125	\$249	\$187	\$125	\$240	\$180	\$120
87	SWAIN	\$289	\$217	\$144	\$287	\$215	\$143	\$273	\$205	\$137	\$264	\$198	\$132
88	TRANSYLVANIA	\$271	\$203	\$136	\$268	\$201	\$134	\$273	\$205	\$137	\$264	\$198	\$132
89	TYRRELL	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
90	UNION	\$346	\$260	\$173	\$303	\$227	\$152	\$295	\$221	\$148	\$295	\$221	\$148
91	VANCE	\$292	\$219	\$146	\$292	\$219	\$146	\$286	\$214	\$143	\$272	\$204	\$136
92	WAKE	\$450	\$338	\$225	\$407	\$305	\$204	\$390	\$293	\$195	\$386	\$290	\$193
93	WARREN	\$305	\$228	\$152	\$285	\$213	\$142	\$281	\$211	\$141	\$286	\$214	\$143
94	WASHINGTON	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
95	WATAUGA	\$305	\$228	\$152	\$305	\$228	\$152	\$290	\$218	\$145	\$351	\$263	\$176
96	WAYNE	\$287	\$215	\$144	\$287	\$215	\$143	\$281	\$211	\$141	\$264	\$198	\$132
97	WILKES	\$306	\$230	\$153	\$306	\$229	\$153	\$266	\$200	\$133	\$264	\$198	\$132
98	WILSON	\$305	\$228	\$152	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
99	YADKIN	\$282	\$212	\$141	\$282	\$212	\$141	\$264	\$198	\$132	\$268	\$201	\$134
100	YANCEY	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132

**1994 Day Care Facility Market Rates
Part-Time Rate Table**

	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three-Five Y.O. Rates			School Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
51	JOHNSTON	\$303	\$227	\$152	\$281	\$211	\$141	\$281	\$211	\$141	\$273	\$205	\$137
52	JONES	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
53	LEE	\$294	\$221	\$147	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
54	LENOIR	\$273	\$205	\$137	\$273	\$205	\$137	\$259	\$195	\$130	\$254	\$191	\$127
55	LINCOLN	\$332	\$249	\$166	\$319	\$239	\$160	\$305	\$228	\$152	\$299	\$224	\$150
56	MACON	\$305	\$228	\$152	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142
57	MADISON	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
58	MARTIN	\$311	\$233	\$156	\$294	\$221	\$147	\$290	\$218	\$145	\$303	\$227	\$152
59	MCDOWELL	\$273	\$205	\$137	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
60	MECKLENBURG	\$476	\$357	\$238	\$442	\$332	\$221	\$437	\$328	\$218	\$399	\$299	\$200
61	MITCHELL	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132
62	MONTGOMERY	\$290	\$218	\$145	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
63	MOORE	\$350	\$263	\$175	\$350	\$263	\$175	\$312	\$234	\$156	\$295	\$221	\$148
64	NASH	\$305	\$228	\$152	\$296	\$222	\$148	\$281	\$211	\$141	\$286	\$214	\$143
65	NEW HANOVER	\$363	\$272	\$182	\$345	\$259	\$173	\$332	\$249	\$166	\$366	\$275	\$183
66	NORTHAMPTON	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
67	ONSLow	\$282	\$212	\$141	\$282	\$212	\$141	\$259	\$195	\$130	\$264	\$198	\$132
68	ORANGE	\$550	\$413	\$275	\$481	\$361	\$241	\$457	\$343	\$229	\$432	\$324	\$216
69	PAMLICO	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
70	PASQUOTANK	\$327	\$245	\$163	\$294	\$221	\$147	\$290	\$218	\$145	\$303	\$227	\$152
71	PENDER	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
72	PERQUIMANS	\$327	\$245	\$163	\$309	\$232	\$154	\$290	\$218	\$145	\$303	\$227	\$152
73	PERSON	\$305	\$228	\$152	\$285	\$213	\$142	\$273	\$205	\$137	\$273	\$205	\$137
74	PITT	\$346	\$260	\$173	\$329	\$247	\$165	\$312	\$234	\$156	\$318	\$239	\$159
75	POLK	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$274	\$206	\$137
76	RANDOLPH	\$305	\$228	\$152	\$282	\$212	\$141	\$261	\$196	\$131	\$264	\$198	\$132
77	RICHMOND	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
78	ROBESON	\$250	\$187	\$125	\$228	\$171	\$114	\$228	\$171	\$114	\$231	\$173	\$116
79	ROCKINGHAM	\$295	\$221	\$148	\$281	\$211	\$141	\$259	\$195	\$130	\$264	\$198	\$132
80	ROWAN	\$305	\$228	\$152	\$305	\$228	\$152	\$305	\$228	\$152	\$314	\$235	\$157
81	RUTHERFORD	\$282	\$212	\$141	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
82	SAMPSON	\$250	\$187	\$125	\$237	\$178	\$119	\$236	\$177	\$118	\$240	\$180	\$120
83	SCOTLAND	\$305	\$228	\$152	\$282	\$212	\$141	\$281	\$211	\$141	\$281	\$211	\$141
84	STANLY	\$305	\$228	\$152	\$296	\$222	\$148	\$286	\$214	\$143	\$295	\$221	\$148
85	STOKES	\$350	\$262	\$175	\$328	\$246	\$164	\$318	\$239	\$159	\$303	\$228	\$152
86	SURRY	\$268	\$201	\$134	\$249	\$187	\$125	\$249	\$187	\$125	\$240	\$180	\$120
87	SWAIN	\$289	\$217	\$144	\$287	\$215	\$143	\$273	\$205	\$137	\$264	\$198	\$132
88	TRANSYLVANIA	\$271	\$203	\$136	\$268	\$201	\$134	\$273	\$205	\$137	\$264	\$198	\$132
89	TYRRELL	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
90	UNION	\$346	\$260	\$173	\$303	\$227	\$152	\$295	\$221	\$148	\$295	\$221	\$148
91	VANCE	\$292	\$219	\$146	\$292	\$219	\$146	\$286	\$214	\$143	\$272	\$204	\$136
92	WAKE	\$450	\$338	\$225	\$407	\$305	\$204	\$390	\$293	\$195	\$386	\$290	\$193
93	WARREN	\$305	\$228	\$152	\$285	\$213	\$142	\$281	\$211	\$141	\$286	\$214	\$143
94	WASHINGTON	\$327	\$245	\$163	\$309	\$232	\$154	\$305	\$228	\$152	\$303	\$227	\$152
95	WATAUGA	\$305	\$228	\$152	\$305	\$228	\$152	\$290	\$218	\$145	\$351	\$263	\$176
96	WAYNE	\$287	\$215	\$144	\$287	\$215	\$143	\$281	\$211	\$141	\$264	\$198	\$132
97	WILKES	\$306	\$230	\$153	\$306	\$229	\$153	\$266	\$200	\$133	\$264	\$198	\$132
98	WILSON	\$305	\$228	\$152	\$282	\$212	\$141	\$281	\$211	\$141	\$286	\$214	\$143
99	YADKIN	\$282	\$212	\$141	\$282	\$212	\$141	\$264	\$198	\$132	\$268	\$201	\$134
100	YANCEY	\$289	\$217	\$144	\$282	\$212	\$141	\$273	\$205	\$137	\$264	\$198	\$132

1994 MARKET RATES FOR HOMEBASED DAY CARE

	County Name	INFANT/TODDLER RATE	TWO YR. OLD RATE	THREE-FIVE YR. OLD RATE	SCHOOL AGE FULL-TIME RATE (5-12 YR. OLD)
01	ALAMANCE	\$281	\$273	\$273	\$273
02	ALEXANDER	\$227	\$227	\$227	\$227
03	ALLEGHANY	\$257	\$257	\$257	\$257
04	ANSON	\$227	\$227	\$227	\$227
05	ASHE	\$257	\$257	\$257	\$257
06	AVERY	\$257	\$257	\$257	\$257
07	BEAUFORT	\$270	\$270	\$228	\$228
08	BERTIE	\$273	\$273	\$273	\$273
09	BLADEN	\$281	\$281	\$281	\$281
10	BRUNSWICK	\$260	\$260	\$250	\$250
11	BUNCOMBE	\$281	\$281	\$281	\$281
12	BURKE	\$227	\$227	\$227	\$227
13	CABARRUS	\$325	\$307	\$307	\$307
14	CALDWELL	\$228	\$228	\$228	\$228
15	CAMDEN	\$281	\$281	\$281	\$281
16	CARTERET	\$250	\$250	\$250	\$250
17	CASWELL	\$281	\$281	\$281	\$281
18	CATAWBA	\$250	\$250	\$250	\$250
19	CHATHAM	\$273	\$273	\$273	\$273
20	CHEROKEE	\$250	\$250	\$250	\$250
21	CHOWAN	\$273	\$273	\$273	\$273
22	CLAY	\$257	\$257	\$257	\$257
23	CLEVELAND	\$250	\$250	\$250	\$250
24	COLUMBUS	\$238	\$238	\$238	\$238
25	CRAVEN	\$250	\$250	\$250	\$250
26	CUMBERLAND	\$273	\$273	\$273	\$273
27	CURRITUCK	\$281	\$281	\$281	\$281
28	DARE	\$325	\$325	\$325	\$325
29	DAVIDSON	\$250	\$250	\$250	\$250
30	DAVIE	\$261	\$261	\$261	\$261
31	DUPLIN	\$227	\$227	\$227	\$227
32	DURHAM	\$390	\$390	\$386	\$386
33	EDGECOMBE	\$228	\$228	\$228	\$228
34	FORSYTH	\$318	\$318	\$318	\$318
35	FRANKLIN	\$273	\$273	\$273	\$273
36	GASTON	\$284	\$284	\$284	\$284
37	GATES	\$261	\$261	\$261	\$261
38	GRAHAM	\$257	\$257	\$257	\$257
39	GRANVILLE	\$285	\$285	\$285	\$285
40	GREENE	\$281	\$281	\$281	\$281
41	GUILFORD	\$318	\$318	\$318	\$318
42	HALIFAX	\$250	\$250	\$250	\$250
43	HARNETT	\$273	\$273	\$273	\$273
44	HAYWOOD	\$257	\$257	\$257	\$257
45	HENDERSON	\$273	\$273	\$273	\$273
46	HERTFORD	\$273	\$273	\$273	\$273
47	HOKE	\$273	\$273	\$273	\$273
48	HYDE	\$281	\$281	\$281	\$281
49	IREDELL	\$264	\$264	\$264	\$264
50	JACKSON	\$250	\$250	\$250	\$250

1994 MARKET RATES FOR HOMEBASED DAY CARE

	County Name	INFANT/TODDLER RATE	TWO YR. OLD RATE	THREE-FIVE YR. OLD RATE	SCHOOL-AGE FULL-TIME RATE (5-12 YR. OLD)
51	JOHNSTON	\$279	\$279	\$273	\$273
52	JONES	\$281	\$281	\$281	\$281
53	LEE	\$273	\$273	\$273	\$273
54	LENOIR	\$244	\$244	\$244	\$244
55	LINCOLN	\$273	\$273	\$273	\$273
56	MACON	\$284	\$284	\$284	\$284
57	MADISON	\$260	\$260	\$260	\$260
58	MARTIN	\$227	\$227	\$227	\$227
59	MCDOWELL	\$261	\$261	\$261	\$261
60	MECKLENBURG	\$368	\$363	\$363	\$363
61	MITCHELL	\$257	\$257	\$257	\$257
62	MONTGOMERY	\$281	\$281	\$281	\$281
63	MOORE	\$273	\$273	\$273	\$273
64	NASH	\$260	\$260	\$250	\$250
65	NEW HANOVER	\$303	\$295	\$295	\$295
66	NORTHAMPTON	\$281	\$281	\$281	\$281
67	ONSLow	\$250	\$250	\$250	\$250
68	ORANGE	\$410	\$410	\$410	\$410
69	PAMLICO	\$281	\$281	\$281	\$281
70	PASQUOTANK	\$281	\$281	\$281	\$281
71	PENDER	\$260	\$260	\$260	\$260
72	PERQUIMANS	\$281	\$281	\$281	\$281
73	PERSON	\$273	\$273	\$273	\$273
74	PITT	\$295	\$295	\$295	\$295
75	POLK	\$257	\$257	\$257	\$257
76	RANDOLPH	\$260	\$250	\$250	\$250
77	RICHMOND	\$273	\$273	\$273	\$273
78	ROBESON	\$228	\$228	\$228	\$228
79	ROCKINGHAM	\$259	\$259	\$259	\$259
80	ROWAN	\$273	\$273	\$273	\$273
81	RUTHERFORD	\$250	\$250	\$250	\$250
82	SAMPSON	\$228	\$228	\$228	\$228
83	SCOTLAND	\$281	\$281	\$281	\$281
84	STANLY	\$250	\$250	\$250	\$250
85	STOKES	\$281	\$281	\$273	\$273
86	SURRY	\$228	\$228	\$228	\$228
87	SWAIN	\$257	\$257	\$257	\$257
88	TRANSYLVANIA	\$257	\$257	\$257	\$257
89	TYRRELL	\$281	\$281	\$281	\$281
90	UNION	\$295	\$295	\$295	\$295
91	VANCE	\$238	\$238	\$238	\$238
92	WAKE	\$390	\$386	\$386	\$386
93	WARREN	\$250	\$250	\$250	\$250
94	WASHINGTON	\$273	\$273	\$273	\$273
95	WATAUGA	\$273	\$273	\$273	\$273
96	WAYNE	\$260	\$258	\$258	\$258
97	WILKES	\$228	\$228	\$228	\$228
98	WILSON	\$250	\$250	\$250	\$250
99	YADKIN	\$250	\$250	\$250	\$250
100	YANCEY	\$257	\$257	\$257	\$257

1994 MARKET RATES FOR HOMEBASED DAY CARE

	County Name	INFANT/TODDLER RATE	TWO YR. OLD RATE	THREE-FIVE YR. OLD RATE	SCHOOL-AGE FULL-TIME RATE (5-12 YR. OLD)
51	JOHNSTON	\$279	\$279	\$273	\$273
52	JONES	\$281	\$281	\$281	\$281
53	LEE	\$273	\$273	\$273	\$273
54	LENOIR	\$244	\$244	\$244	\$244
55	LINCOLN	\$273	\$273	\$273	\$273
56	MACON	\$284	\$284	\$284	\$284
57	MADISON	\$260	\$260	\$260	\$260
58	MARTIN	\$227	\$227	\$227	\$227
59	MCDOWELL	\$261	\$261	\$261	\$261
60	MECKLENBURG	\$368	\$363	\$363	\$363
61	MITCHELL	\$257	\$257	\$257	\$257
62	MONTGOMERY	\$281	\$281	\$281	\$281
63	MOORE	\$273	\$273	\$273	\$273
64	NASH	\$260	\$260	\$250	\$250
65	NEW HANOVER	\$303	\$295	\$295	\$295
66	NORTHAMPTON	\$281	\$281	\$281	\$281
67	ONSLow	\$250	\$250	\$250	\$250
68	ORANGE	\$410	\$410	\$410	\$410
69	PAMLICO	\$281	\$281	\$281	\$281
70	PASQUOTANK	\$281	\$281	\$281	\$281
71	PENDER	\$260	\$260	\$260	\$260
72	PERQUIMANS	\$281	\$281	\$281	\$281
73	PERSON	\$273	\$273	\$273	\$273
74	PITT	\$295	\$295	\$295	\$295
75	POLK	\$257	\$257	\$257	\$257
76	RANDOLPH	\$260	\$250	\$250	\$250
77	RICHMOND	\$273	\$273	\$273	\$273
78	ROBESON	\$228	\$228	\$228	\$228
79	ROCKINGHAM	\$259	\$259	\$259	\$259
80	ROWAN	\$273	\$273	\$273	\$273
81	RUTHERFORD	\$250	\$250	\$250	\$250
82	SAMPSON	\$228	\$228	\$228	\$228
83	SCOTLAND	\$281	\$281	\$281	\$281
84	STANLY	\$250	\$250	\$250	\$250
85	STOKES	\$281	\$281	\$273	\$273
86	SURRY	\$228	\$228	\$228	\$228
87	SWAIN	\$257	\$257	\$257	\$257
88	TRANSYLVANIA	\$257	\$257	\$257	\$257
89	TYRRELL	\$281	\$281	\$281	\$281
90	UNION	\$295	\$295	\$295	\$295
91	VANCE	\$238	\$238	\$238	\$238
92	WAKE	\$390	\$386	\$386	\$386
93	WARREN	\$250	\$250	\$250	\$250
94	WASHINGTON	\$273	\$273	\$273	\$273
95	WATAUGA	\$273	\$273	\$273	\$273
96	WAYNE	\$260	\$258	\$258	\$258
97	WILKES	\$228	\$228	\$228	\$228
98	WILSON	\$250	\$250	\$250	\$250
99	YADKIN	\$250	\$250	\$250	\$250
100	YANCEY	\$257	\$257	\$257	\$257

**1994 Day Care Homebased Market Rates
Part-Time Rate Table**

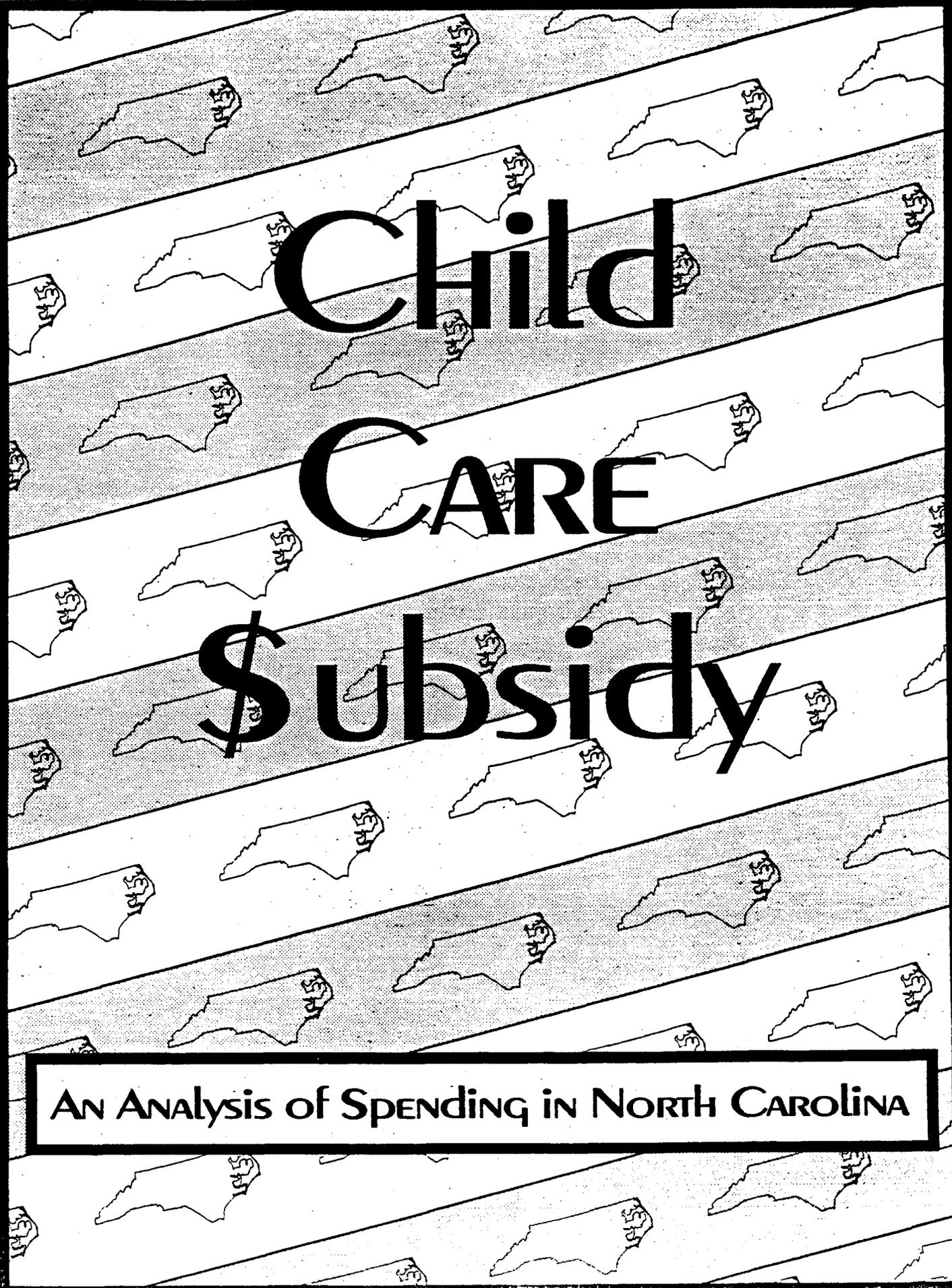
	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three - Five Y.O. Rates			School-Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
1	ALAMANCE	\$281	\$211	\$141	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
2	ALEXANDER	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
3	ALLEGHANY	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
4	ANSON	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
5	ASHE	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
6	AVERY	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
7	BEAUFORT	\$270	\$202	\$135	\$270	\$202	\$135	\$228	\$171	\$114	\$228	\$171	\$114
8	BERTIE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
9	BLADEN	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
10	BRUNSWICK	\$260	\$195	\$130	\$260	\$195	\$130	\$250	\$187	\$125	\$250	\$187	\$125
11	BUNCOMBE	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141
12	BURKE	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
13	CABARRUS	\$325	\$244	\$163	\$307	\$230	\$153	\$307	\$230	\$153	\$307	\$230	\$153
14	CALDWELL	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
15	CAMDEN	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
16	CARTERET	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
17	CASWELL	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
18	CATAWBA	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
19	CHATHAM	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
20	CHEROKEE	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
21	CHOWAN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
22	CLAY	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
23	CLEVELAND	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
24	COLUMBUS	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119
25	CRAVEN	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
26	CUMBERLAND	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
27	CURRITUCK	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
28	DARE	\$325	\$244	\$163	\$325	\$244	\$163	\$325	\$244	\$163	\$325	\$244	\$163
29	DAVIDSON	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
30	DAVIE	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
31	DUPLIN	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
32	DURHAM	\$390	\$293	\$195	\$390	\$293	\$195	\$386	\$290	\$193	\$386	\$290	\$193
33	EDGECOMBE	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
34	FORSYTH	\$318	\$239	\$159	\$318	\$239	\$159	\$318	\$239	\$159	\$318	\$239	\$159
35	FRANKLIN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
36	GASTON	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142
37	GATES	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
38	GRAHAM	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
39	GRANVILLE	\$285	\$213	\$142	\$285	\$213	\$142	\$285	\$213	\$142	\$285	\$213	\$142
40	GREENE	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
41	GUILFORD	\$318	\$239	\$159	\$318	\$239	\$159	\$318	\$239	\$159	\$318	\$239	\$159
42	HALIFAX	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
43	HARNETT	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
44	HAYWOOD	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
45	HENDERSON	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
46	HERTFORD	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
47	HOKE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
48	HYDE	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
49	IREDELL	\$264	\$198	\$132	\$264	\$198	\$132	\$264	\$198	\$132	\$264	\$198	\$132
50	JACKSON	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125

**1994 Day Care Homebased Market Rates
Part-Time Rate Table**

	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three Five Y.O. Rates			School-Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
51	JOHNSTON	\$279	\$209	\$140	\$279	\$209	\$140	\$273	\$205	\$137	\$273	\$205	\$137
52	JONES	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
53	LEE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
54	LENOIR	\$244	\$183	\$122	\$244	\$183	\$122	\$244	\$183	\$122	\$244	\$183	\$122
55	LINCOLN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
56	MACON	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142
57	MADISON	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130
58	MARTIN	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
59	MCDOWELL	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
60	MECKLENBURG	\$368	\$276	\$184	\$363	\$272	\$182	\$363	\$272	\$182	\$363	\$272	\$182
61	MITCHELL	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
62	MONTGOMERY	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
63	MOORE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
64	NASH	\$260	\$195	\$130	\$260	\$195	\$130	\$250	\$187	\$125	\$250	\$187	\$125
65	NEW HANOVER	\$303	\$227	\$152	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
66	NORTHAMPTON	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
67	ONSLow	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
68	ORANGE	\$410	\$307	\$205	\$410	\$307	\$205	\$410	\$307	\$205	\$410	\$307	\$205
69	PAMLICO	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
70	PASQUOTANK	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
71	PENDER	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130
72	PERQUIMANS	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
73	PERSON	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
74	PITT	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
75	POLK	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
76	RANDOLPH	\$260	\$195	\$130	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
77	RICHMOND	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
78	ROBESON	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
79	ROCKINGHAM	\$259	\$195	\$130	\$259	\$195	\$130	\$259	\$195	\$130	\$259	\$195	\$130
80	ROWAN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
81	RUTHERFORD	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
82	SAMPSON	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
83	SCOTLAND	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141
84	STANLY	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
85	STOKES	\$281	\$211	\$141	\$281	\$211	\$141	\$273	\$205	\$137	\$273	\$205	\$137
86	SURRY	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
87	SWAIN	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
88	TRANSYLVANIA	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
89	TYRRELL	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
90	UNION	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
91	VANCE	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119
92	WAKE	\$390	\$293	\$195	\$386	\$290	\$193	\$386	\$290	\$193	\$386	\$290	\$193
93	WARREN	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
94	WASHINGTON	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
95	WATAUGA	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
96	WAYNE	\$260	\$195	\$130	\$258	\$194	\$129	\$258	\$194	\$129	\$258	\$194	\$129
97	WILKES	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
98	WILSON	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
99	YADKIN	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
100	YANCEY	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129

**1994 Day Care Homebased Market Rates
Part-Time Rate Table**

	County Name	Infant/Toddler Rates			Two Y.O. Rates			Three-Five Y.O. Rates			School Age Rates		
		100%	75%	50%	100%	75%	50%	100%	75%	50%	100%	75%	50%
51	JOHNSTON	\$279	\$209	\$140	\$279	\$209	\$140	\$273	\$205	\$137	\$273	\$205	\$137
52	JONES	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
53	LEE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
54	LENOIR	\$244	\$183	\$122	\$244	\$183	\$122	\$244	\$183	\$122	\$244	\$183	\$122
55	LINCOLN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
56	MACON	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142	\$284	\$213	\$142
57	MADISON	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130
58	MARTIN	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113	\$227	\$170	\$113
59	MCDOWELL	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131	\$261	\$196	\$131
60	MECKLENBURG	\$368	\$276	\$184	\$363	\$272	\$182	\$363	\$272	\$182	\$363	\$272	\$182
61	MITCHELL	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
62	MONTGOMERY	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
63	MOORE	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
64	NASH	\$260	\$195	\$130	\$260	\$195	\$130	\$250	\$187	\$125	\$250	\$187	\$125
65	NEW HANOVER	\$303	\$227	\$152	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
66	NORTHAMPTON	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
67	ONSLow	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
68	ORANGE	\$410	\$307	\$205	\$410	\$307	\$205	\$410	\$307	\$205	\$410	\$307	\$205
69	PAMLICO	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
70	PASQUOTANK	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
71	PENDER	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130	\$260	\$195	\$130
72	PERQUIMANS	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
73	PERSON	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
74	PITT	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
75	POLK	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
76	RANDOLPH	\$260	\$195	\$130	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
77	RICHMOND	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
78	ROBESON	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
79	ROCKINGHAM	\$259	\$195	\$130	\$259	\$195	\$130	\$259	\$195	\$130	\$259	\$195	\$130
80	ROWAN	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
81	RUTHERFORD	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
82	SAMPSON	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
83	SCOTLAND	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141	\$281	\$211	\$141
84	STANLY	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
85	STOKES	\$281	\$211	\$141	\$281	\$211	\$141	\$273	\$205	\$137	\$273	\$205	\$137
86	SURRY	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
87	SWAIN	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
88	TRANSYLVANIA	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129
89	TYRRELL	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140	\$281	\$211	\$140
90	UNION	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148	\$295	\$221	\$148
91	VANCE	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119	\$238	\$179	\$119
92	WAKE	\$390	\$293	\$195	\$386	\$290	\$193	\$386	\$290	\$193	\$386	\$290	\$193
93	WARREN	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
94	WASHINGTON	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
95	WATAUGA	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137	\$273	\$205	\$137
96	WAYNE	\$260	\$195	\$130	\$258	\$194	\$129	\$258	\$194	\$129	\$258	\$194	\$129
97	WILKES	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114	\$228	\$171	\$114
98	WILSON	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
99	YADKIN	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125	\$250	\$187	\$125
100	YANCEY	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129	\$257	\$193	\$129



Child CARE Subsidy

AN ANALYSIS OF SPENDING IN NORTH CAROLINA

Acknowledgements:

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Produced Jointly By:

Day Care Services Association
N.C. Rural Economic Development Center

Authors:

Monica H. Rohacek
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Child Care Subsidy: An Analysis of Spending in North Carolina
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INTRODUCTION

Research in the field of early childhood education has unequivocally demonstrated that high quality early childhood environments play a critical role in preparing children for success in school. High quality early childhood programs can also reduce the later likelihood of teenage pregnancy, crime and welfare dependence. These positive effects are especially evident among children from low income families. Unfortunately, the high cost of quality early childhood programs prevents many families from accessing them.

To help some families access quality child care, federal, state and local governments contribute funding to purchase subsidized care. In North Carolina, one such subsidy program is administered on the state level by the Division of Child Development and funds were allocated to the counties according to a need-based formula. Not including funding for child care under the Family Support Act (FSA), \$49 million in child care subsidy was distributed during FY 92-93. This \$49 million came from 4 different funding sources, together referred to as "Non-FSA Child Care Subsidy."

During FY 92-93, 68 of North Carolina's 100 counties underspent their non-FSA allocation. Because this money was allocated based on the relative level of need in each county, there is concern that the child care needs of all the low income families in those counties were not being met. Day Care Services Association, with funding from the N.C. Rural Economic Development Center, has undertaken this study in order to: (a) determine how well counties are meeting the child development needs of their poor children under five, (b) understand the factors which contribute to county non-FSA spending levels and (c) address the issues which may be preventing some counties from serving a more significant number of poor children with non-FSA child care subsidy.

To study these issues, data was collected through interviews with various employees at the N.C. Division of Child Development. Demographic data were collected

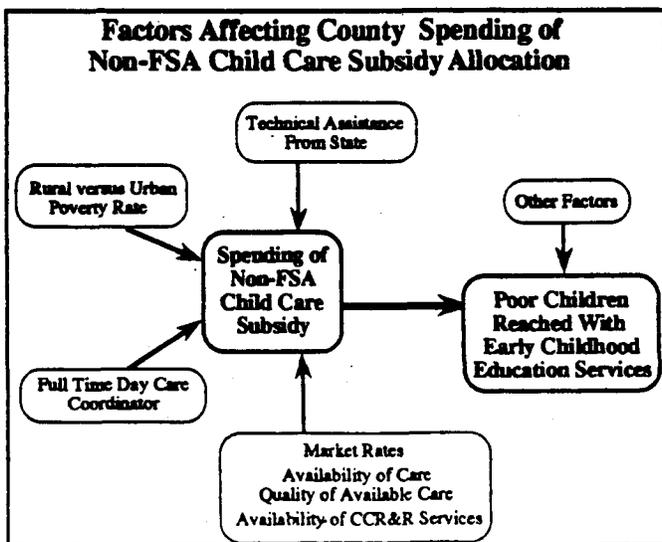
directly from the wide variety of agencies responsible for the provision of the relevant service. Finally, much data were obtained from a survey of the local agencies responsible for administering child care subsidy (usually the Department of Social Services). Seventy-four counties responded to the survey.

How well are counties meeting the child development needs of their poor children under five?

Census figures indicate that counties that underspent their non-FSA allocation served a smaller percentage of their poor children with non-FSA child care subsidy. In addition to the non-FSA subsidy money under examination here, assistance with child care and early education may be available through Head Start and Chapter 1 programs or FSA subsidy money. Unfortunately, those counties serving a low proportion of their poor families through non-FSA subsidy were also serving a low proportion of their poor families through all possible sources. Using all four possible sources, the 20 counties with the lowest percent of children served reached an average of only 39% of poor children. This consistent underserving of children with early childhood education programs is indicative of a larger problem within the community, of which non-FSA underspending is only a part.

Which factors were associated with county non-FSA spending levels?

Non-FSA spending levels within each county depend on many state and county level factors. Respondents to the county survey perceived five primary reasons for underspending in their counties: lack of staff to administer the non-FSA subsidy program; lack of eligible clients; the complicated allocation/reallocation process; an insufficient number of child care providers;



and inadequate time for outreach. With one exception, all of the factors mentioned by Department of Social Services personnel did, in fact, appear to be associated with underspending.

The only factor cited by counties which did not appear to be associated with underspending was a lack of eligible clients. Underspending counties served an average of only 59% of poor children with any type of early childhood service. This suggests that, in many underspending counties, there are eligible parents who face special barriers in accessing early childhood education programs or in securing assistance to place their children in such programs. These barriers may include: perceptions of expected treatment by the Department of Social Services and difficulty in obtaining subsidy; lack of knowledge about the availability of subsidy; lack of knowledge about the benefits of quality early childhood programs; transportation problems; and a shortage of child care providers.

Data analysis showed that the most significant factors associated with underspending were:

- **being rural.**

Rural counties reverted an average of 18% of their non-FSA child care allocation while urban counties only reverted an average of 10% of their allocation. Children in rural counties were also less likely to be receiving any one of the 4 types of early childhood services studied.

- **having a high poverty rate.**

The 25 counties with the lowest poverty rate (below 14.5%) left an average of only 2% of their allocation unspent while those 25 counties with the highest rate of poverty (26.3% or higher) left 16% of their allocation unspent. This held for both rural and urban counties.

- **lacking a full time Day Care Coordinator.**

Over four out of five counties reported having a Day Care Coordinator, although in 42% of counties the Coordinator did not work full time and in 10% of counties, the Coordinator was the only person in the Department of Social Services with duties related to non-FSA child care subsidy. Counties without full time Day Care Coordinators left an average of 22% of their allocation unspent while those counties with a full time Day Care Coordinator left only 14% of their allocation unspent.

- **having a less developed child care market.**

Underspending was associated with lower quality child care in the county (measured by the propor-

tion of spaces with an AA license), lower market rates, and limited availability of regulated child care. An increase from 45 child care spaces per 100 children to 75 spaces per 100 children could be expected to increase a rural county's spending of non-FSA subsidy by over 8 percentage points, holding all other factors constant.

- **receiving less technical assistance from the state.**

Counties which had more technical assistance contacts with the N.C. Division of Child Development tended to spend more of their allocation. Most of these contacts were in the form of telephone calls from the county to the Division.

What effect can an infusion of extra funding and a specialized system for the development and delivery of early childhood services have on poor rural counties?

Seven counties in western North Carolina (Cherokee, Clay, Graham, Haywood, Jackson, Macon and Swain) have their non-FSA child care subsidy programs administered by the Southwestern Child Development Commission, Inc.

	Child Care Spaces Per 100 Preschoolers	Percent Child Care Spaces "AA" Licensed	Percent Non-FSA Allocation Spent	SAT Scores
Eastern Counties Berke, Camden, Chowan, Gates, Hertford, Perquimans, Washington	26.14	1%	72%	792
Western Counties Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain	41.71	32%	104%	846

Southwestern, established in 1972, is a non-profit organization which operates many child care programs in those areas and also serves as a child care resource and referral agency. Additionally, they receive their own non-FSA child care subsidy allocation. These seven western counties were compared to seven eastern counties with similar demographic characteristics. The analysis revealed that the western counties had more child care spaces

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per 100 preschoolers, a greater availability of higher quality care, and even had higher SAT scores. Additionally, the western counties spent 104% of their non-FSA child care allocation for FY 92-93 while the eastern counties only spent an average of 72% of their non-FSA allocation. These results suggest that added funding and a special organization committed to developing and delivering early childhood services to families can have a tremendously positive impact on counties with the greatest levels of rurality and poverty.

What can be done to increase the number of counties spending their non-FSA allocation?

Despite the common trends among underspending counties, the data also suggest that spending levels are dependent on the special circumstances found in each particular county. North Carolina's counties, especially the poorer ones, are in desperate need of technical assistance and administrative funding for non-FSA child care subsidy. Many counties are unable to seek out the technical assistance and additional funding for needed staff. Counties with the highest rates of child poverty, lowest rates of children served with early childhood education subsidy programs, and the lowest utilization of non-FSA funds should be specially targeted with intensive assistance in implementing the following recommendations.

RECOMMENDATIONS

The results of this research show that to maximize future spending of non-FSA child care subsidy funds, several factors need to be addressed at the state and county levels.

State Level

1. The N.C. Division of Child Development should provide improved technical assistance to counties to help them with the administration of non-FSA child care subsidy, especially targeting those counties which do not spend their non-FSA allocation by:
 - Providing workshops in each region of the state on the following topics: policy changes, program administration, developing child care in the community and parent outreach.
 - Providing regularly scheduled workshops to

orient new Department of Social Services staff to the child care subsidy program.

- Reaching the goal of one technical assistance visit to each county every year in order to help assess the special needs faced by each county in providing non-FSA child care subsidy.
- Reaching the goal of one monitoring visit to each county every 3 years.
- Providing more written materials and resources to counties about the administration of the child care subsidy program (such material might include the National Center for Children in Poverty's report, Child Care Choices, Consumer Education and Low-Income Families and an updated non-FSA child care subsidy manual).

2. So that a shortage of child care is not a barrier to accessing child care and subsidy, the state should help counties develop, and encourage the use of, quality child care arrangements by:
 - Developing a written plan, resources, and workshops to help counties counsel parents about choosing quality child care.
 - Creating a state-wide market floor for child care reimbursement rates which will especially help to develop child care markets in low income areas of the state.
 - Raising reimbursement rates to providers of higher quality care (those which are accredited or have AA licenses).
 - Continuing to fund and initiate the development of Child Care Resource and Referral organizations in unserved parts of the state. These agencies help increase public awareness about the benefits of early childhood programs, provide technical assistance to providers to help them improve the quality of care, and increase the amount of child care available in the county.
 - Providing funding specifically for the development of quality child care in areas with inadequate resources to initiate and/or carry out such development on their own.
3. The N.C. Division of Child Development should give counties the resources they need to increase the effectiveness with which they are able to provide non-FSA child care subsidy by:
 - Providing clearer, more frequent, timely and detailed information to counties about their non-FSA spending levels and allocation/

reallocation amounts.

- Computerizing the administration of the non-FSA subsidy system and providing the necessary funds and technical assistance to enable counties to use such a system.
 - Providing more administrative funding to counties, particularly funds to hire Day Care Coordinators and additional funds to poorer counties which do not have the resources to hire and train staff themselves.
4. Further research should be conducted in order to understand why some counties reach fewer poor children with any type of early childhood education programs. The research should include a solid assessment of the availability and demand for child care as well as a comprehensive analysis of the barriers faced by parents in utilizing child care and child care subsidy, and of the barriers faced by providers in accepting children who receive child care subsidy.
 5. So that all counties can be assured of receiving an equitable amount of non-FSA funding, all agencies, including state level contractors, should be required to track and report the number of children they serve by county. This will also ensure that all unspent funds are reverted back to the state, for use by all other counties, rather than solely by those under the administration of the same state level contractor.
 6. A group of key state leaders in the field of early childhood education and public policy should be convened to review the findings of the report and to develop a strategy to address the massive inequities in the provision of early childhood education services found in some of North Carolina's counties.

Local Level

7. Local agencies should ensure that they have well-trained staff with reasonable workloads to administer non-FSA child care subsidy by:
 - Securing funding for a Day Care Coordinator position and ensuring that the Coordinator works enough hours (and has enough support) to be able to address all of the recommendations below.
 - Ensuring that at least one staff member has an

extensive understanding of child development and of child care in the community.

- Notifying county commissioners when reversions are made in an effort to solicit county support in improving the provision of child care services to low income families.
8. Local agencies should improve consumer outreach and relations to remove the special barriers that prevent access to child care and child care subsidy faced by some families in their communities and to ensure that all eligible families are indeed being served with non-FSA child care subsidy by:
 - Assessing the "client-friendliness" of the agency and making the necessary adjustments so that clients feel comfortable and can easily access non-FSA child care subsidy services.
 - Providing extensive counseling on choosing quality child care to every parent receiving child care subsidy.
 - Conducting special outreach to parents who face barriers to subsidy utilization, such as being unaware of the availability of child care subsidy and/or how to access subsidy.
 9. Local agencies should take responsibility for developing high quality child care arrangements in their communities by:
 - Conducting a child care needs assessment to determine how a shortage of care might be preventing some parents from being served with non-FSA child care subsidy.
 - Actively engaging in the recruitment and development of high quality child care arrangements in areas with a shortage of child care.
 - Providing active technical assistance and training to existing child care providers to maintain supply, increase quality and encourage greater compliance with regulations.
 10. Community based organizations, such as churches, Child Care Resource and Referral Agencies, and community development corporations should take greater responsibility in helping local agencies which provide non-FSA child care subsidy to improve their services. This may include using the Southwestern Child Development Commission's model of developing and providing a wide variety of child care services in areas which do not have the resources to initiate such development on their own.

reallocation amounts.

- Computerizing the administration of the non-FSA subsidy system and providing the necessary funds and technical assistance to enable counties to use such a system.
 - Providing more administrative funding to counties, particularly funds to hire Day Care Coordinators and additional funds to poorer counties which do not have the resources to hire and train staff themselves.
4. Further research should be conducted in order to understand why some counties reach fewer poor children with any type of early childhood education programs. The research should include a solid assessment of the availability and demand for child care as well as a comprehensive analysis of the barriers faced by parents in utilizing child care and child care subsidy, and of the barriers faced by providers in accepting children who receive child care subsidy.
 5. So that all counties can be assured of receiving an equitable amount of non-FSA funding, all agencies, including state level contractors, should be required to track and report the number of children they serve by county. This will also ensure that all unspent funds are reverted back to the state, for use by all other counties, rather than solely by those under the administration of the same state level contractor.
 6. A group of key state leaders in the field of early childhood education and public policy should be convened to review the findings of the report and to develop a strategy to address the massive inequities in the provision of early childhood education services found in some of North Carolina's counties.
- extensive understanding of child development and of child care in the community.
- Notifying county commissioners when reversions are made in an effort to solicit county support in improving the provision of child care services to low income families.
8. Local agencies should improve consumer outreach and relations to remove the special barriers that prevent access to child care and child care subsidy faced by some families in their communities and to ensure that all eligible families are indeed being served with non-FSA child care subsidy by:
 - Assessing the "client-friendliness" of the agency and making the necessary adjustments so that clients feel comfortable and can easily access non-FSA child care subsidy services.
 - Providing extensive counseling on choosing quality child care to every parent receiving child care subsidy.
 - Conducting special outreach to parents who face barriers to subsidy utilization, such as being unaware of the availability of child care subsidy and/or how to access subsidy.
 9. Local agencies should take responsibility for developing high quality child care arrangements in their communities by:
 - Conducting a child care needs assessment to determine how a shortage of care might be preventing some parents from being served with non-FSA child care subsidy.
 - Actively engaging in the recruitment and development of high quality child care arrangements in areas with a shortage of child care.
 - Providing active technical assistance and training to existing child care providers to maintain supply, increase quality and encourage greater compliance with regulations.

Local Level

7. Local agencies should ensure that they have well-trained staff with reasonable workloads to administer non-FSA child care subsidy by:
 - Securing funding for a Day Care Coordinator position and ensuring that the Coordinator works enough hours (and has enough support) to be able to address all of the recommendations below.
 - Ensuring that at least one staff member has an
10. Community based organizations, such as churches, Child Care Resource and Referral Agencies, and community development corporations should take greater responsibility in helping local agencies which provide non-FSA child care subsidy to improve their services. This may include using the Southwestern Child Development Commission's model of developing and providing a wide variety of child care services in areas which do not have the resources to initiate such development on their own.

For more information contact:

**Day Care Services Association, Inc.
P.O. Box 901
Chapel Hill, NC 27514
(919)967-3272**

Day Care Services Association, Inc.
110 West Main Street, Suite 2-G
Carrboro, North Carolina 27510

Non-Profit Organization
U.S. Postage
PAID
Permit No. 139
Carrboro, NC 27510-02308

Care

Day Care Services Association, Inc.
110 West Main Street, Suite 2-G
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Carrboro, NC 27510-02308

Appendix A: Selected County Statistics

COUNTY	1 Number of Poor Children Under 6	2 % Poor Children Served By Main Programs	3 Monthly Children Receiving Non-FSA Subsidy	3 Initial Non-FSA Allocation FY 92-93	3 Final Non-FSA Expenditure FY 92-93	3 % Non-FSA Allocation Spent FY 92-93	4 Rural or Urban County	5 CCR&R Services Available?	6 Child Poverty Rate	3 2 Year Old Market Rate	3 Child Care Spaces per 100 Children	3 % Spaces in AA Licensed Centers
Alamance	1,150	77%	283	\$669,120	\$620,414	93%	Urban	Yes	12.10%	\$281	59.1	1.73%
Alexander	298	62%	79	\$188,803	\$151,307	80%	Rural	No	12.68%	\$286	34.1	3.04%
Alleghany	87	123%	57	\$142,757	\$118,593	83%	Rural	No	21.99%	\$238	51.3	18.75%
Anson	444	74%	112	\$186,604	\$188,520	101%	Rural	No	23.17%	\$185	39.5	5.66%
Ashe	350	45%	52	\$137,700	\$99,413	72%	Rural	No	22.67%	\$238	43.6	28.57%
Avery	195	45%	22	\$75,000	\$43,090	57%	Rural	No	17.07%	\$260	46.6	6.35%
Beaufort	1,010	70%	210	\$339,095	\$354,359	105%	Rural	No	26.38%	\$281	45.2	2.32%
Bertie	698	36%	100	\$235,441	\$244,478	104%	Rural	Yes	36.06%	\$260	26.5	0.00%
Bladen	660	70%	137	\$272,298	\$220,879	81%	Rural	Yes	28.46%	\$173	56.3	7.88%
Brunswick	1,163	39%	125	\$422,381	\$281,459	67%	Rural	No	23.55%	\$281	33.5	7.19%
Buncombe	2,346	70%	615	\$1,182,523	\$1,117,128	94%	Urban	Yes	16.18%	\$238	70.1	40.22%
Burke	944	45%	207	\$405,539	\$362,677	89%	Rural	No	14.10%	\$217	38.9	4.80%
Cabarrus	857	92%	241	\$600,406	\$615,301	102%	Urban	Yes	10.10%	\$268	60.9	30.26%
Caldwell	763	63%	231	\$397,600	\$380,495	96%	Rural	No	13.83%	\$238	45.1	5.41%
Camden	123	33%	13	\$109,548	\$26,163	24%	Rural	No	21.84%	\$260	11.5	0.00%
Carteret	751	57%	126	\$335,829	\$321,316	96%	Rural	No	16.95%	\$247	36.7	23.40%
Caswell	337	55%	79	\$154,343	\$188,214	122%	Rural	No	19.29%	\$238	19.7	0.00%
Catawba	972	93%	443	\$729,368	\$637,347	87%	Urban	No	9.69%	\$262	68.1	10.96%
Chatham	459	59%	122	\$253,503	\$295,828	117%	Rural	Yes	12.39%	\$260	25.2	22.75%
Cherokee	357	...	...	\$95,247	...	...	Rural	Yes	26.77%	\$238	40.8	29.20%
Chowan	340	83%	74	\$167,479	\$143,363	86%	Rural	No	25.30%	\$260	42.1	0.00%
Clay	108	...	...	\$109,685	...	...	Rural	Yes	21.95%	\$238	51.9	36.52%
Cleveland	1,095	52%	154	\$503,861	\$368,281	73%	Rural	No	14.78%	\$217	31.0	1.97%
Columbus	1,325	52%	245	\$420,750	\$473,478	113%	Rural	Yes	29.96%	\$195	45.3	12.75%
Craven	1,828	53%	289	\$652,029	\$626,390	96%	Rural	No	20.15%	\$238	33.5	17.40%
Cumberland	6,263	60%	1321	\$2,215,814	\$2,662,410	120%	Urban	No	20.55%	\$244	53.3	6.16%
Currituck	126	91%	89	\$145,912	\$176,059	121%	Rural	No	12.68%	\$260	26.9	0.00%
Dare	146	89%	72	\$130,576	\$188,690	145%	Rural	No	8.25%	\$281	43.6	0.00%
Davidson	1,495	51%	369	\$746,415	\$629,654	84%	Urban	Yes	13.42%	\$251	51.8	3.04%
Davie	178	97%	57	\$119,661	\$151,518	127%	Rural	Yes	7.53%	\$238	62.2	2.50%
Duplin	856	82%	164	\$325,816	\$358,295	110%	Rural	No	23.33%	\$260	43.7	11.73%
Durham	2,718	78%	524	\$1,176,844	\$924,879	79%	Urban	Yes	16.03%	\$338	78.5	26.51%
Edgecombe	1,708	47%	303	\$529,729	\$485,318	92%	Rural	No	29.64%	\$208	46.1	1.83%

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Appendix A: Selected County Statistics

COUNTY	1 Number of Poor Children Under 6	2 % Poor Children Served By Main Programs	3 Monthly Children Receiving Non-FSA Subsidy	3 Initial Non-FSA Allocation FY 92-93	3 Final Non-FSA Expenditure FY 92-93	3 % Non-FSA Allocation Spent FY 92-93	4 Rural or Urban County	5 CCR&R Services Available?	6 Child Poverty Rate	3 2 Year Old Market Rate	3 Child Care Spaces per 100 Children	3 % Spaces in AA Licensed Centers
Forsyth	3,624	56%	426	\$962,260	\$1,101,516	114%	Urban	Yes	15.56%	\$281	60.4	8.73%
Franklin	585	63%	100	\$263,644	\$270,107	102%	Rural	No	17.93%	\$325	38.7	1.27%
Gaston	2,498	43%	389	\$1,173,484	\$895,614	76%	Urban	No	15.05%	\$255	45.8	8.67%
Gates	198	47%	28	\$145,849	\$63,560	44%	Rural	Yes	21.22%	\$260	24.8	0.00%
Graham	264	***	***	\$76,146	***	***	Rural	Yes	40.34%	\$238	50.6	59.13%
Granville	420	62%	59	\$248,260	\$142,464	57%	Rural	Yes	16.32%	\$303	30.8	0.00%
Greene	350	67%	76	\$199,949	\$188,100	94%	Rural	No	28.51%	\$260	33.2	0.00%
Guilford	4,390	59%	833	\$2,308,007	\$1,941,347	84%	Urban	Yes	14.30%	\$336	64.3	13.46%
Hallfax	1,968	31%	139	\$569,182	\$324,250	57%	Rural	No	37.57%	\$227	21.2	7.50%
Harnett	1,555	36%	153	\$558,665	\$279,334	50%	Rural	No	22.70%	\$227	27.9	0.00%
Haywood	693	***	***	\$73,003	***	***	Rural	Yes	17.56%	\$234	57.2	9.27%
Henderson	965	57%	144	\$388,071	\$303,495	78%	Rural	No	17.36%	\$268	68.8	8.71%
Hertford	748	54%	101	\$220,245	\$215,886	98%	Rural	Yes	37.05%	\$217	42.4	8.12%
Hoke	641	58%	103	\$194,294	\$193,934	100%	Rural	No	28.80%	\$217	38.9	4.48%
Hyde	110	120%	60	\$193,963	\$110,519	57%	Rural	No	33.45%	\$260	42.9	0.00%
Iredell	955	67%	245	\$563,619	\$477,966	85%	Rural	No	12.13%	\$251	57.3	3.62%
Jackson	399	***	***	\$53,346	***	***	Rural	Yes	19.91%	\$238	73.7	65.09%
Johnston	1,469	64%	278	\$652,500	\$547,997	84%	Rural	No	18.27%	\$217	59.8	8.26%
Jones	264	62%	49	\$151,833	\$105,628	70%	Rural	No	26.25%	\$260	24.3	20.45%
Lee	976	43%	166	\$371,390	\$315,232	85%	Rural	No	22.27%	\$238	56.3	8.39%
Lenoir	1,281	43%	131	\$409,933	\$294,248	72%	Rural	No	28.24%	\$217	48.5	0.00%
Lincoln	563	60%	109	\$312,220	\$235,459	75%	Rural	No	13.16%	\$273	42.5	7.11%
Macon	353	***	***	\$116,558	***	***	Rural	Yes	22.37%	\$238	37.7	32.49%
Madison	215	114%	145	\$354,084	\$284,795	80%	Rural	No	21.78%	\$238	28.9	0.00%
Martin	736	58%	116	\$228,170	\$151,997	67%	Rural	No	30.73%	\$217	51.4	25.35%
McDowell	344	63%	27	\$162,660	\$145,036	89%	Rural	Yes	12.60%	\$206	45.4	33.79%
Mecklenburg	6,845	89%	2657	\$3,523,312	\$8,190,524	232%	Urban	Yes	13.66%	\$377	80.2	41.86%
Mitchell	192	32%	9	\$24,442	\$24,235	99%	Rural	No	17.92%	\$238	51.7	9.46%
Montgomery	379	47%	108	\$179,310	\$186,984	104%	Rural	Yes	20.00%	\$182	31.1	4.09%
Moore	854	47%	169	\$405,291	\$343,360	85%	Rural	Yes	17.65%	\$303	51.1	10.13%
Nash	1,239	52%	246	\$558,610	\$492,955	88%	Rural	No	18.11%	\$251	46.6	0.00%
New Hanover	2,084	84%	549	\$654,164	\$817,431	125%	Urban	Yes	20.50%	\$294	79.2	0.71%
Northampton	640	43%	77	\$208,064	\$188,321	91%	Rural	Yes	33.08%	\$260	24.6	0.00%

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Appendix A: Selected County Statistics

COUNTY	1 Number of Poor Children Under 6	2 % Poor Children Served By 4 Main Programs	3 Monthly Children Receiving Non-FSA Subsidy	3 Initial Non-FSA Allocation FY 92-93	3 Final Non-FSA Expenditure FY 92-93	3 % Non-FSA Allocation Spent FY 92-93	4 Rural or Urban County	5 CCR&R Services Available?	6 Child Poverty Rate	3 2 Year Old Market Rate	3 Child Care Spaces per 100 Children	3 % Spaces in AA Licensed Centers
Forsyth	3,624	56%	426	\$962,260	\$1,101,516	114%	Urban	Yes	15.56%	\$281	60.4	8.73%
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Graham	264	***	***	\$76,146	***	***	Rural	Yes	40.34%	\$238	50.6	59.13%
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Harnett	1,555	36%	153	\$558,665	\$279,334	50%	Rural	No	22.70%	\$227	27.9	0.00%
Haywood	693	***	***	\$73,003	***	***	Rural	Yes	17.56%	\$234	57.2	9.27%
Henderson	965	57%	144	\$388,071	\$303,495	78%	Rural	No	17.36%	\$268	68.8	8.71%
Hertford	746	54%	101	\$220,245	\$215,898	98%	Rural	Yes	37.05%	\$217	42.4	8.12%
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Lee	976	43%	166	\$371,390	\$315,232	85%	Rural	No	22.27%	\$238	56.3	8.39%
Lenoir	1,281	43%	131	\$409,933	\$294,248	72%	Rural	No	28.24%	\$217	48.5	0.00%
Lincoln	563	60%	109	\$312,220	\$235,459	75%	Rural	No	13.16%	\$273	42.5	7.11%
Macon	353	***	***	\$116,558	***	***	Rural	Yes	22.37%	\$238	37.7	32.49%
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Martin	736	58%	116	\$228,170	\$151,997	67%	Rural	No	30.73%	\$217	51.4	25.35%
McDowell	344	63%	27	\$162,660	\$145,036	89%	Rural	Yes	12.60%	\$206	45.4	33.79%
Mecklenburg	6,845	89%	2657	\$3,523,312	\$8,190,524	232%	Urban	Yes	13.66%	\$377	80.2	41.86%
Mitchell	192	32%	9	\$24,442	\$24,235	99%	Rural	No	17.92%	\$238	51.7	9.46%
Montgomery	379	47%	108	\$179,310	\$186,984	104%	Rural	Yes	20.00%	\$182	31.1	4.09%
Moore	854	47%	169	\$405,291	\$343,360	85%	Rural	Yes	17.65%	\$303	51.1	10.13%
Nash	1,239	52%	246	\$558,610	\$492,955	88%	Rural	No	18.11%	\$251	46.6	0.00%
New Hanover	2,084	84%	549	\$654,164	\$817,431	125%	Urban	Yes	20.50%	\$294	79.2	0.71%
Northampton	540	43%	77	\$208,064	\$188,321	91%	Rural	Yes	33.08%	\$260	24.6	0.00%

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Appendix A: Selected County Statistics

COUNTY	1 Number of Poor Children Under 6	2 % Poor Children Served By Main Programs	3 Monthly Children Receiving Non-FSA Subsidy	3 Initial Non-FSA Allocation FY 92-93	3 Final Non-FSA Expenditure FY 92-93	3 % Non-FSA Allocation Spent FY 92-93	4 Rural or Urban County	5 CCR&R Services Available?	6 Child Poverty Rate	3 2 Year Old Market Rate	3 Child Care Spaces per 100 Children	3 % Spaces in AA Licensed Centers
Onslow	2,799	42%	386	\$1,121,679	\$667,987	60%	Rural	Yes	16.41%	\$238	23.2	3.81%
Orange	776	82%	173	\$502,213	\$559,599	111%	Urban	Yes	10.75%	\$403	75.9	23.99%
Pamlico	233	73%	52	\$146,420	\$97,987	67%	Rural	No	24.03%	\$260	33.7	33.20%
Pasquotank	924	44%	57	\$300,987	\$108,901	36%	Rural	No	28.12%	\$217	32.1	1.01%
Pender	649	68%	99	\$224,695	\$182,752	81%	Rural	Yes	25.76%	\$260	39.3	24.97%
Perquimans	318	44%	49	\$171,227	\$103,533	60%	Rural	No	34.95%	\$260	23.6	0.00%
Person	398	68%	72	\$180,095	\$140,431	78%	Rural	No	17.15%	\$238	38.1	0.00%
Pitt	2,560	38%	238	\$756,481	\$658,975	87%	Rural	Yes	26.09%	\$260	54.0	13.90%
Polk	97	107%	63	\$92,706	\$77,929	84%	Rural	No	10.01%	\$238	40.3	26.62%
Randolph	997	51%	252	\$653,111	\$378,251	58%	Rural	Yes	10.52%	\$238	43.3	1.88%
Richmond	871	47%	169	\$317,107	\$276,902	87%	Rural	No	23.28%	\$217	36.4	0.00%
Robeson	3,790	48%	411	\$1,178,659	\$541,379	46%	Rural	No	33.33%	\$186	33.7	11.62%
Rockingham	1,218	51%	131	\$565,667	\$390,358	69%	Rural	Yes	16.41%	\$217	31.9	8.09%
Rowan	1,157	78%	174	\$714,849	\$377,698	53%	Urban	No	12.07%	\$251	35.8	21.67%
Rutherford	772	36%	77	\$244,522	\$191,417	78%	Rural	Yes	15.69%	\$238	36.7	0.00%
Sampson	1,030	50%	96	\$377,840	\$180,018	48%	Rural	No	26.10%	\$195	52.5	8.31%
Scotland	985	63%	128	\$304,195	\$272,464	90%	Rural	Yes	27.98%	\$238	46.2	14.40%
Stanly	653	59%	123	\$338,284	\$276,940	82%	Rural	No	14.75%	\$251	45.2	0.00%
Stokes	285	79%	71	\$136,944	\$159,347	116%	Rural	Yes	10.50%	\$281	37.8	2.24%
Surry	591	69%	159	\$373,724	\$243,963	65%	Rural	Yes	12.93%	\$199	55.8	2.91%
Swain	364	...	...	\$93,549	...	...	Rural	Yes	37.77%	\$242	68.1	0.00%
Transylvania	438	90%	204	\$385,309	\$318,322	83%	Rural	Yes	22.02%	\$217	81.5	5.15%
Tyrrell	116	56%	12	\$138,976	\$20,247	15%	Rural	No	33.35%	\$260	57.5	0.00%
Union	905	91%	214	\$509,822	\$401,812	79%	Rural	Yes	10.97%	\$238	48.0	8.61%
Vance	999	72%	180	\$342,086	\$346,896	101%	Rural	No	27.57%	\$247	49.1	0.00%
Wake	3,813	63%	747	\$2,161,772	\$2,218,368	103%	Urban	Yes	9.73%	\$340	71.7	18.50%
Warren	521	55%	104	\$224,071	\$224,116	100%	Rural	No	37.56%	\$238	27.8	0.00%
Washington	455	53%	74	\$164,903	\$147,975	90%	Rural	No	30.81%	\$260	35.5	0.00%
Watauga	369	43%	84	\$202,507	\$178,543	88%	Rural	No	13.66%	\$251	53.9	30.55%
Wayne	2,032	45%	249	\$815,196	\$555,652	68%	Rural	No	20.82%	\$242	46.4	9.79%
Wilkes	725	52%	191	\$455,135	\$450,570	99%	Rural	No	14.79%	\$260	37.0	27.31%
Wilson	1,698	28%	216	\$453,293	\$531,290	117%	Rural	No	29.52%	\$238	51.0	0.00%
Yadkin	371	66%	114	\$175,658	\$212,694	121%	Rural	Yes	14.86%	\$238	70.1	6.16%
Yancey	205	51%	40	\$100,866	\$75,950	75%	Rural	No	20.20%	\$238	32.7	6.80%

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A-3

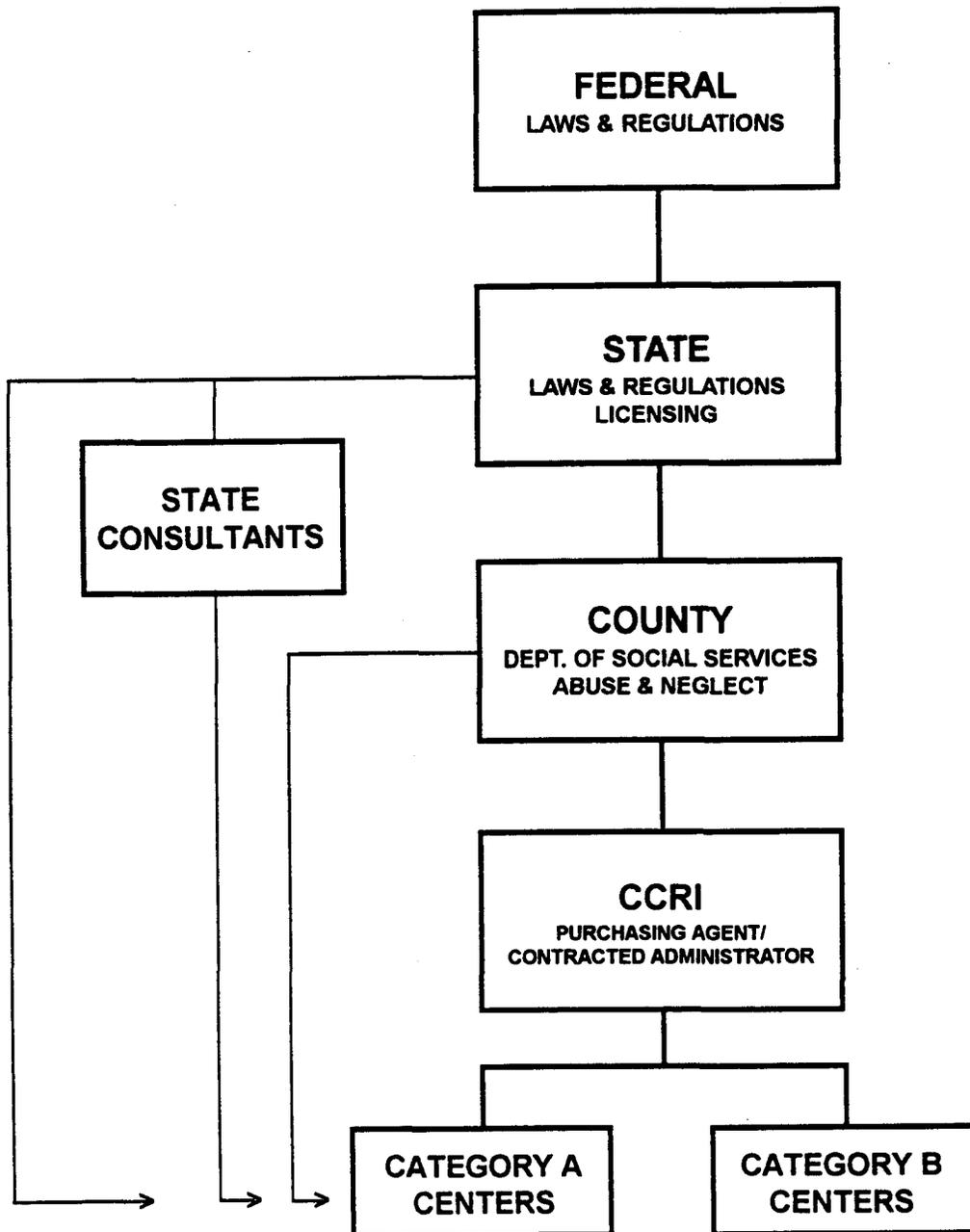


WHAT ARE THE ISSUES?

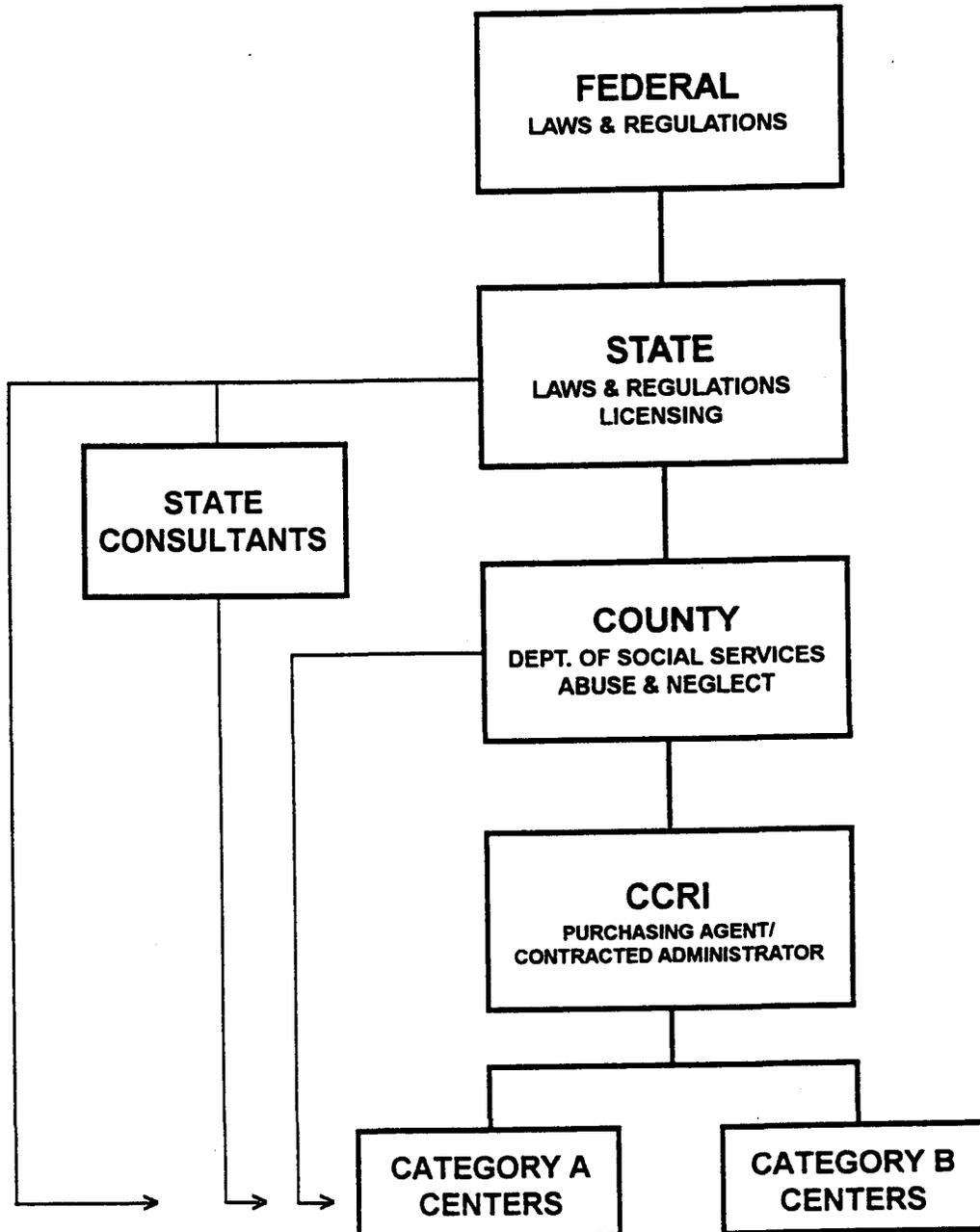
- AN EFFECTIVE TWO TIERED SUBSIDY PAYMENT SYSTEM
- UNDERPAYMENT TO CATEGORY B CENTERS
- WHO HAS POLICY MAKING AUTHORITY AND WHAT ARE THE RULES?

2-11-8

FLOW OF REGULATIONS AND FUNDS



FLOW OF REGULATIONS AND FUNDS



**WHO IS/WAS AFFECTED BY
CCRI PRACTICES?**

CATEGORY B CENTERS ONLY

- **BY DEFINITION CATEGORY B CENTERS
SERVE ECONOMICALLY DISADVANTAGED**
- **LARGELY MINORITY ENROLLMENT, STAFF,
AND OWNERSHIP**
- **DISPROPORTIONATELY SPECIAL NEEDS
AND AT-RISK CHILDREN**
- **14 CENTERS - \$564,000 UNDERPAYMENT
ESTIMATED 1300 CHILDREN**

POSSIBLE COMBINATION OF LICENSE AND CATEGORY

	A LICENSE	AA LICENSE
CATEGORY A	<p style="text-align: center;">FEE = PRIVATE PARENT FEE</p> <p style="text-align: center;">No MAXMIUM FEE</p>	<p style="text-align: center;">FEE = PRIVATE PARENT FEE</p> <p style="text-align: center;">No MAXIMUM FEE</p>
CATEGORY B	<p>BY LAW:</p> <p style="text-align: center;">LESSER OF PRIVATE FEE OR COUNTY MARKET RATE (CMR) MAXIMUM FEE EQUALS CMR</p> <p>BY CCRI:</p> <p style="text-align: center;">LESSER OF PRIVATE FEE OR REDUCED COUNTY MARKET RATE (CMR) MAXIMUM FEE IS LESS THAN CMR</p>	<p>BY LAW:</p> <p style="text-align: center;">THERE IS NO SPECIAL PROVISION LESSER OF PRIVATE FEE OR COUNTY MARKET RATE (CMR) MAXIMUM FEE EQUALS CMR</p> <p>BY CCRI:</p> <p style="text-align: center;">LESSER OF PRIVATE FEE OR COUNTY MARKET RATE (CMR) MAXIMUM FEE EQUALS CMR</p>

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2-4-77

RATE HISTORY COUNTY MARKET RATE
MONTHLY RATE FOR 3 YEAR OLD CHILD
CATEGORY B, A LICENSE

	<u>1991</u>	<u>1992</u>	<u>1993</u>
CMR	\$303	\$368	\$398
CCRI	<u>\$273</u>	<u>\$303</u>	<u>\$368</u>
UNDERPAYMENT	\$ 30	\$ 65	\$ 30
% DIFFERENCE	10%	18%	8%

STRAIGHT AVERAGE UNDERPAYMENT ALL AGES

<u>1991</u>	<u>1992</u>	<u>1993</u>
\$35	\$53	\$31

C-448

**"ONE YEAR OF QUALITY
CHILD CARE = \$8,300"**

CHILD CARE RESOURCES, INC. 1993 ANNUAL REPORT

**MAXIMUM SUBSIDY
\$441 X 12 = \$5,292**

**"ONE YEAR OF QUALITY
CHILD CARE = \$8,300"**

CHILD CARE RESOURCES, INC. 1993 ANNUAL REPORT

**MAXIMUM SUBSIDY
\$441 X 12 = \$5,292**

QUALITY CONTROL

- **PARENTS - PARENTS CHOOSE THE CENTER**

- **STATE REGULATIONS - LICENSE**
 - SANITARY HEALTH INSPECTION
 - FIRE INSPECTION
 - BUILDING INSPECTION

- **STATE MONITORING, INSPECTION, AND PENALTIES**

- **COUNTY DEPARTMENTS OF SOCIAL SERVICES**

0.50

WHAT IS THE ROLE OF FOR-PROFIT CENTERS?

- **175 FOR-PROFIT CENTERS IN MECKLENBURG COUNTY**
- **8,628 CHILDREN SERVED**

WHAT IS THE ROLE OF FOR-PROFIT CENTERS?

- **175 FOR-PROFIT CENTERS IN MECKLENBURG COUNTY**
- **8,628 CHILDREN SERVED**

2-51

COST OF AA VERSUS A

- **CENTER'S FIXED COSTS ARE ABOUT EQUAL**
- **CENTER'S VARIABLE COSTS ARE AT LEAST EQUAL, IF POSSIBLE**
- **CENTER'S TOTAL REVENUE FOR AA IS SIGNIFICANTLY REDUCED!**

GROSS REVENUE

- **ENROLLMENT (CAPACITY) X RATE = GROSS REVENUE**
- **DETERMINED BY SPACE**
- **SPACE REQUIREMENT**
 - **"A" LICENSE PER CHILD - 25 SQ FT**
 - **"AA" LICENSE PER CHILD - 30 SQ FT**

CS3

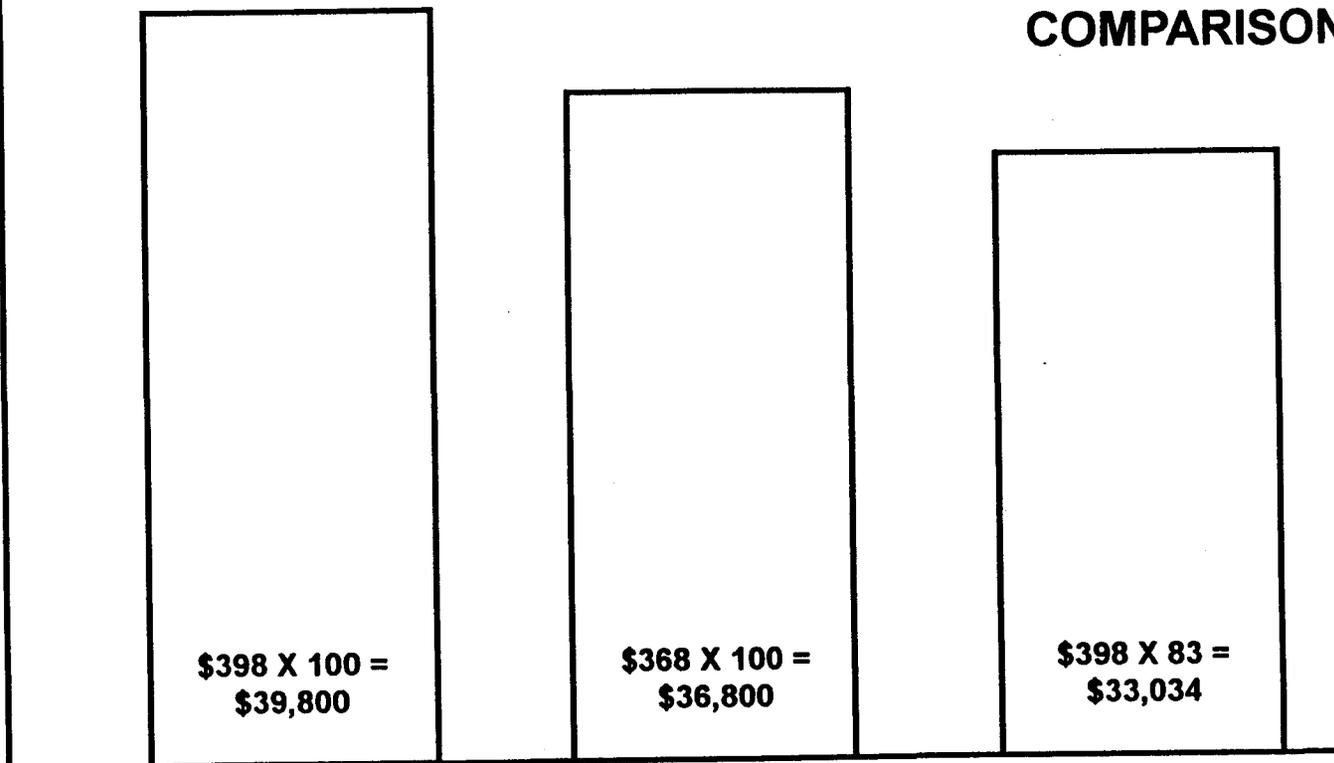
GROSS REVENUE

- **ENROLLMENT (CAPACITY) X RATE = GROSS REVENUE**
- **DETERMINED BY SPACE**
- **SPACE REQUIREMENT**
 - **"A" LICENSE PER CHILD - 25 SQ FT**
 - **"AA" LICENSE PER CHILD - 30 SQ FT**

C-53

GROSS REVENUE COMPARISONS

100%
92%
83%



**A LICENSE
CMR**

**A LICENSE
CCRI RATE**

**AA LICENSE
CCRI RATE**

A LICENSE = 25 SQ FT PER CHILD AA LICENSE = 30 SQ FT PER CHILD

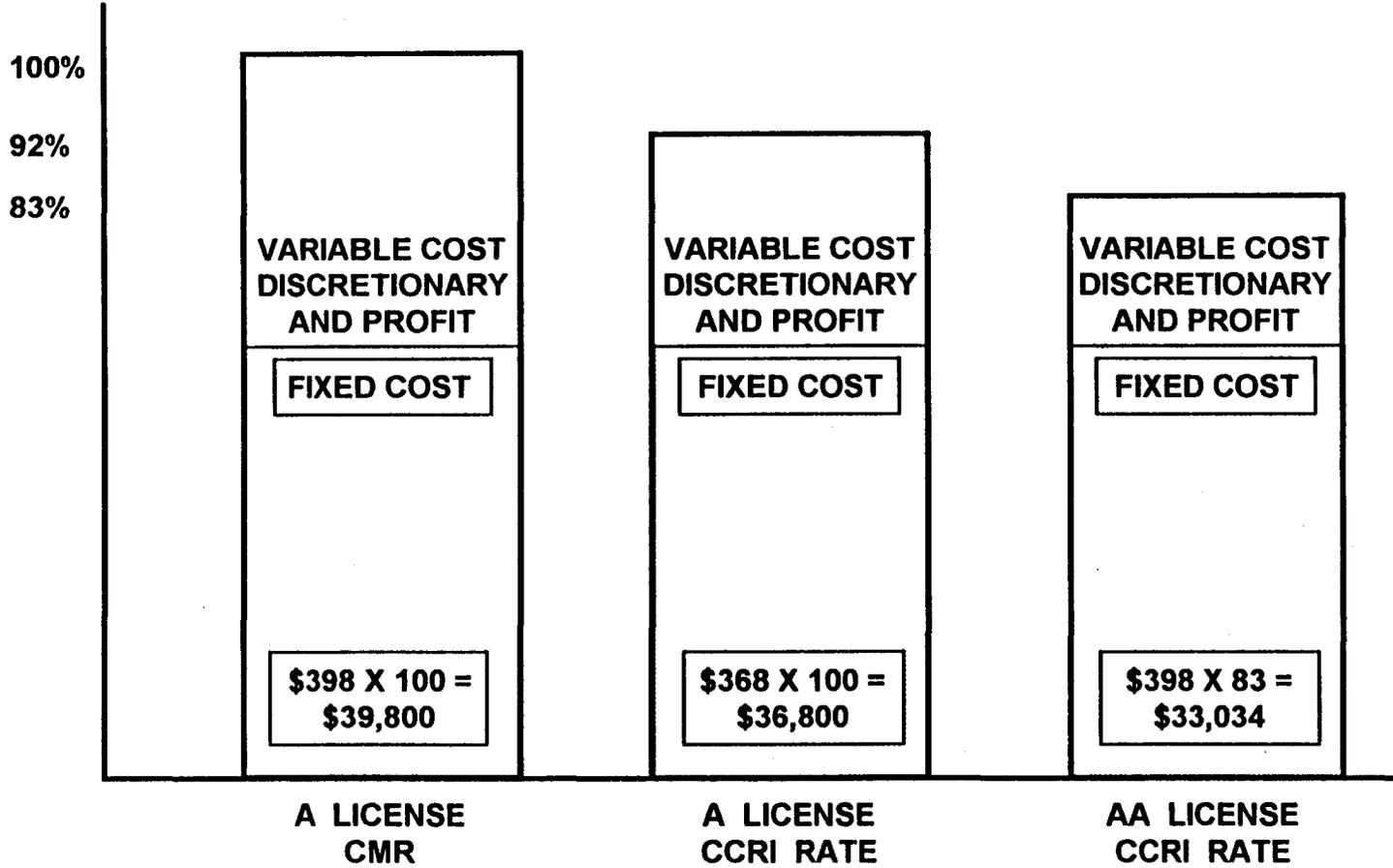
EXAMPLE:

**2500 TOTAL SQ FT BUILDING
3 YEAR OLD RATES**

COUNTY MARKET RATE (CMR) A LICENSE =	\$398
CCRI RATE A LICENSE =	\$368
CCRI RATE AA LICENSE =	\$398

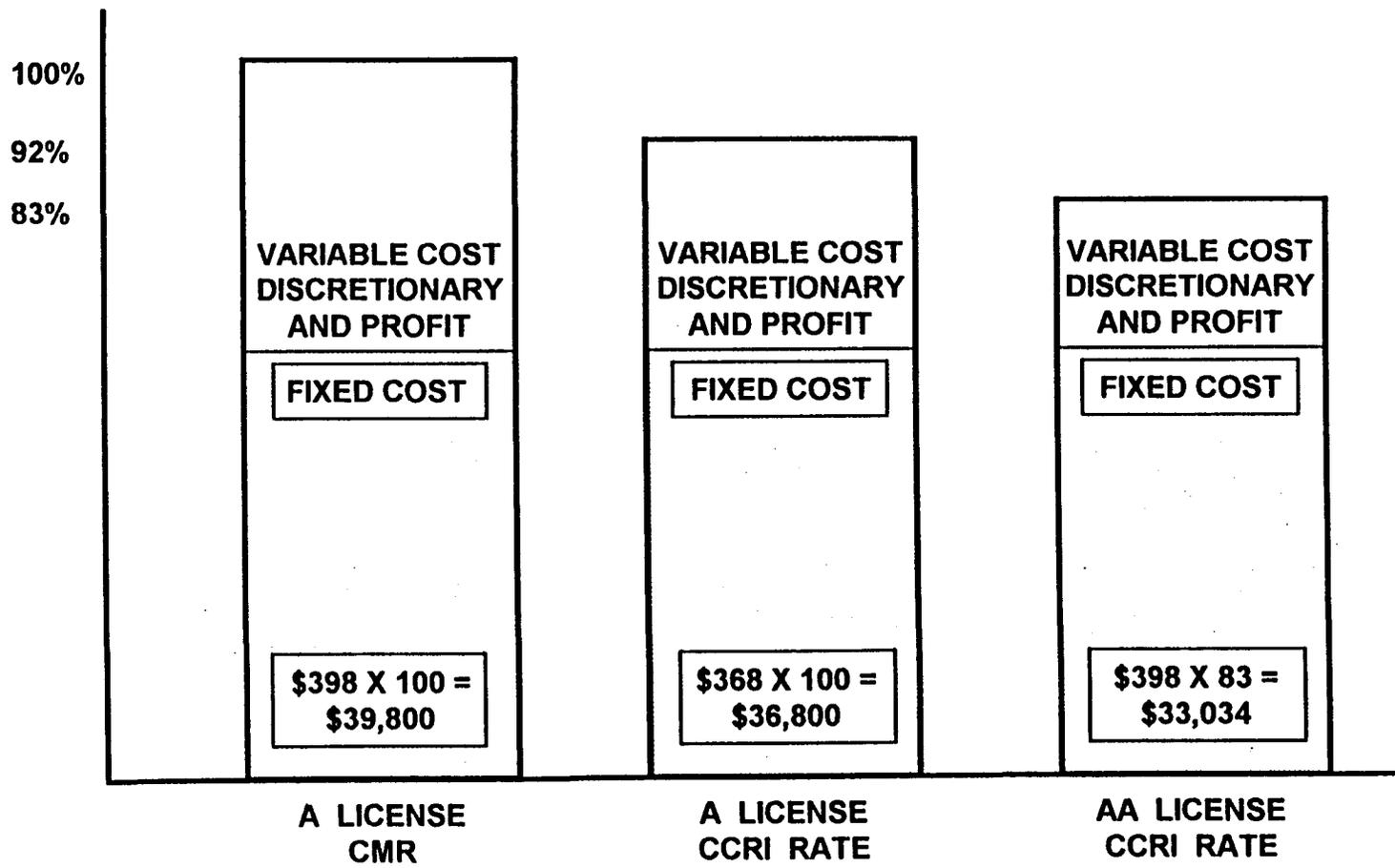
C-54

GROSS REVENUE COMPARISONS AND COST COMPARISONS



255

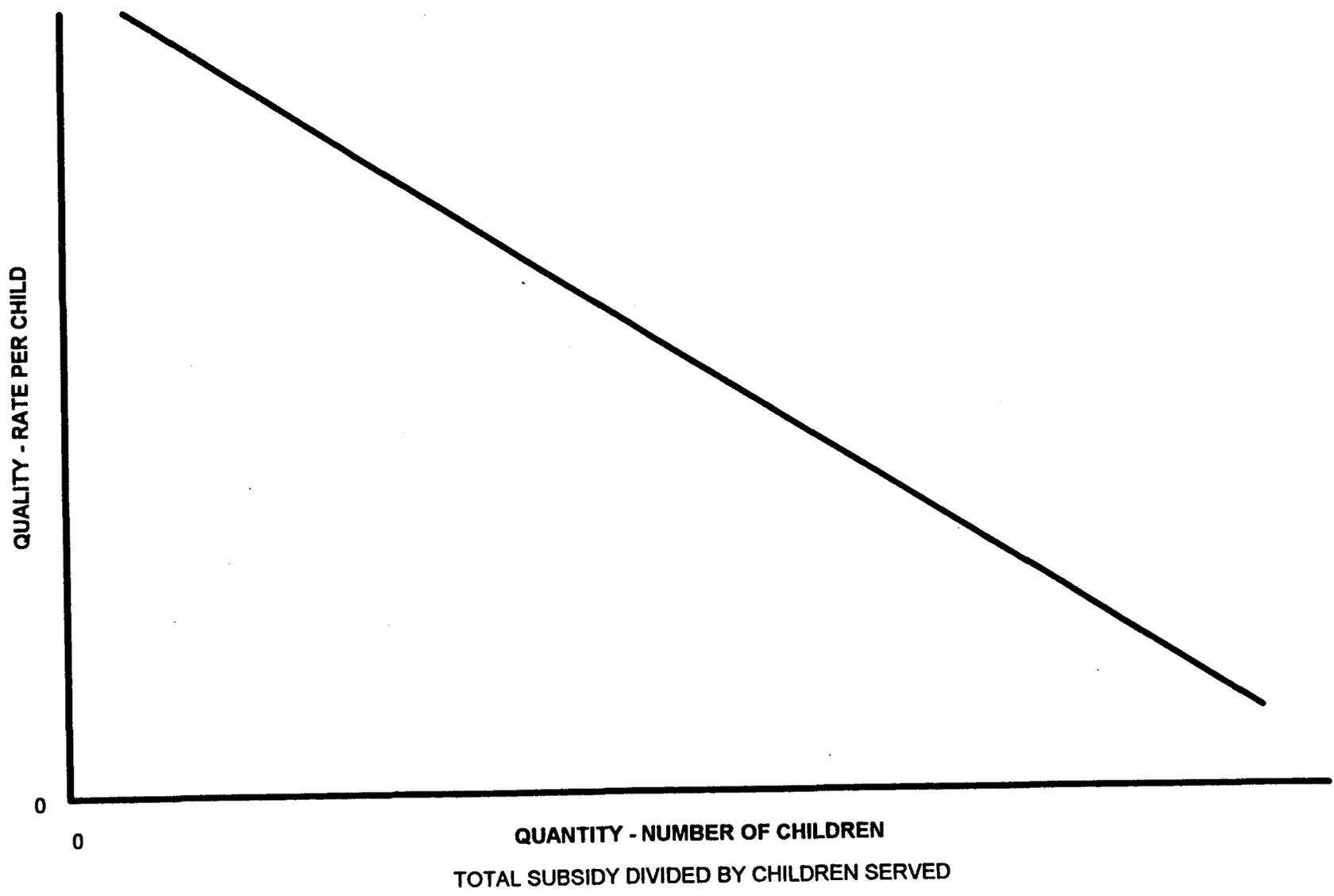
GROSS REVENUE COMPARISONS AND COST COMPARISONS



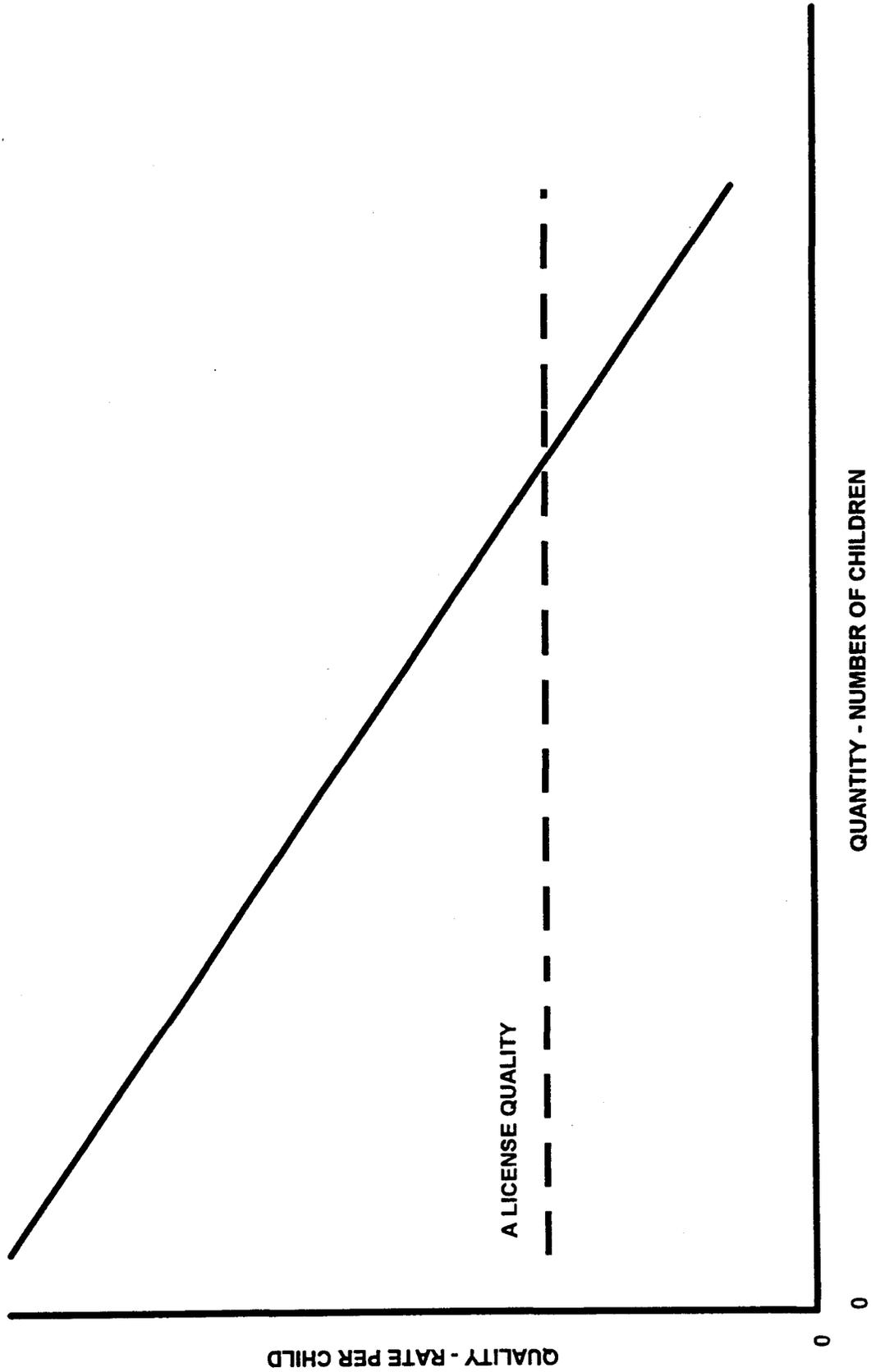
55-7

COST / QUANTITY TRADE-OFF

Q-56



QUALITY DECLINES AS RATES DECLINE



A LICENSE QUALITY

QUALITY - RATE PER CHILD

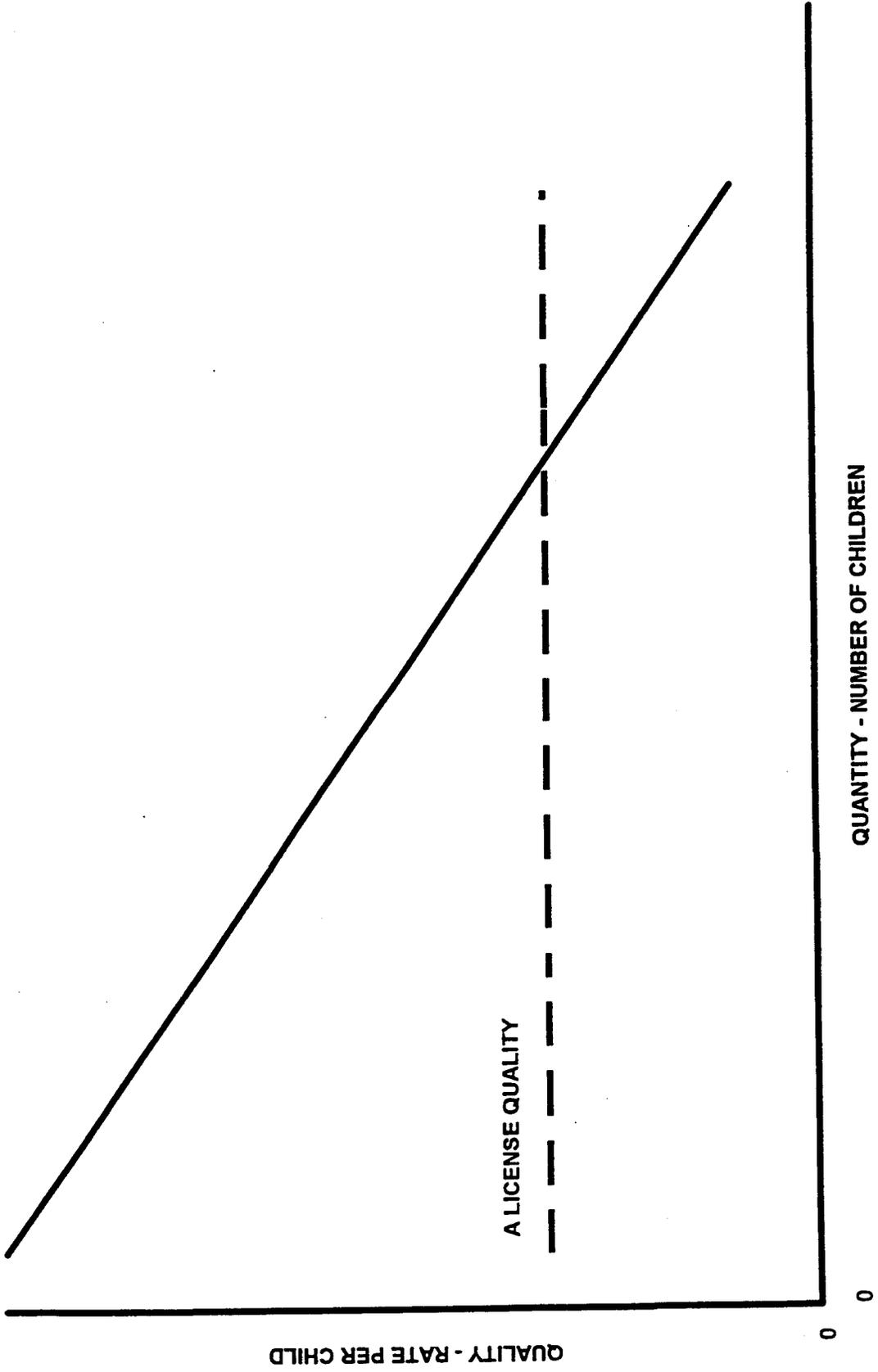
QUANTITY - NUMBER OF CHILDREN

0

0

C-57

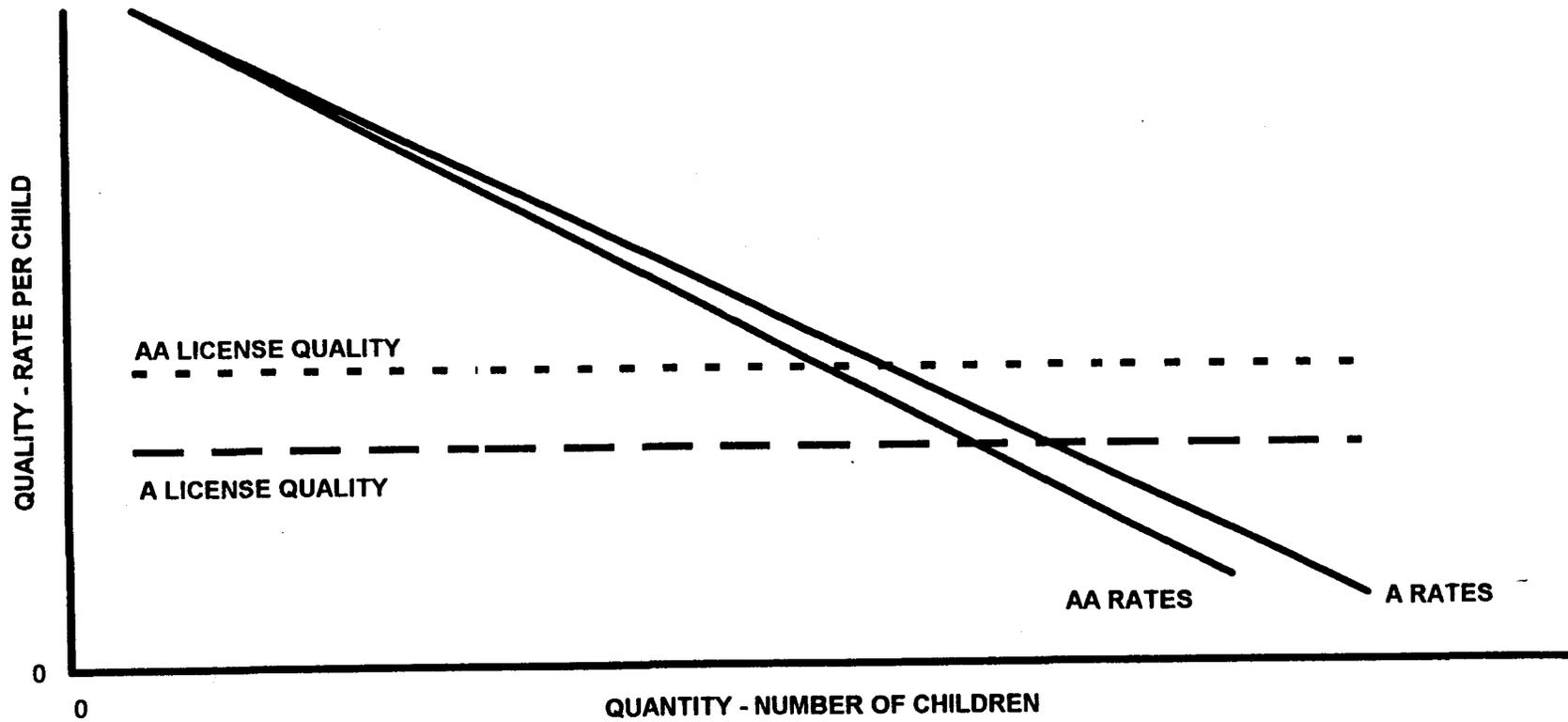
QUALITY DECLINES AS RATES DECLINE



C-57

QUALITY DECLINES AS RATES DECLINE

0-58



CONCLUSIONS

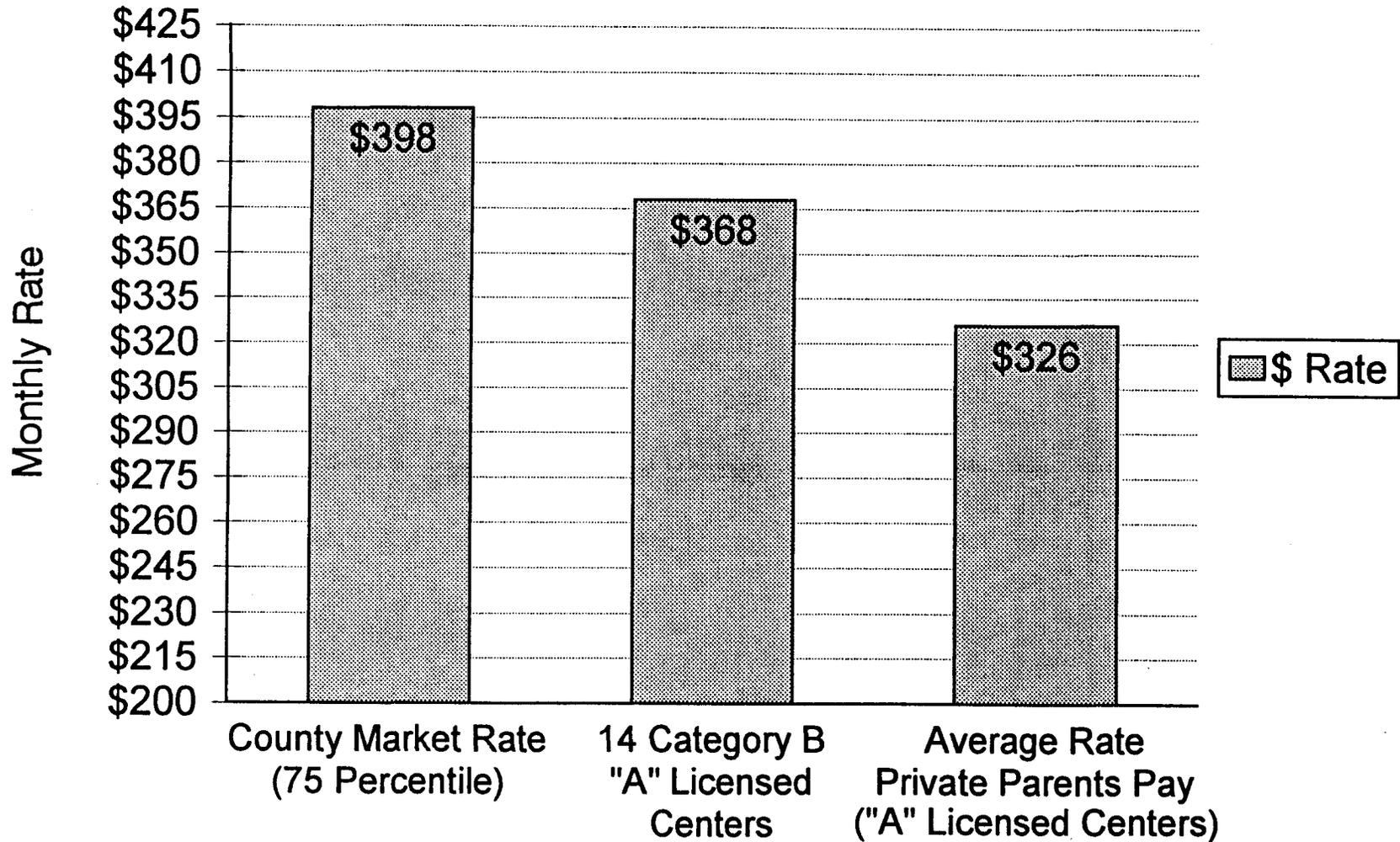
- CHILD CARE IS A DIFFICULT BUSINESS
- PAST PRACTICE HAS HARMED QUALITY
- PAST PRACTICE OFFERED NO INCENTIVE
- A TRUE INCENTIVE SYSTEM, NOT HARMFUL TO QUALITY, CAN BE IMPLEMENTED, BUT THERE IS A COST
- THE LAWS NEED TO BE CLEAR

CONCLUSIONS

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- THE LAWS NEED TO BE CLEAR

Mecklenburg County Child Care Subsidies

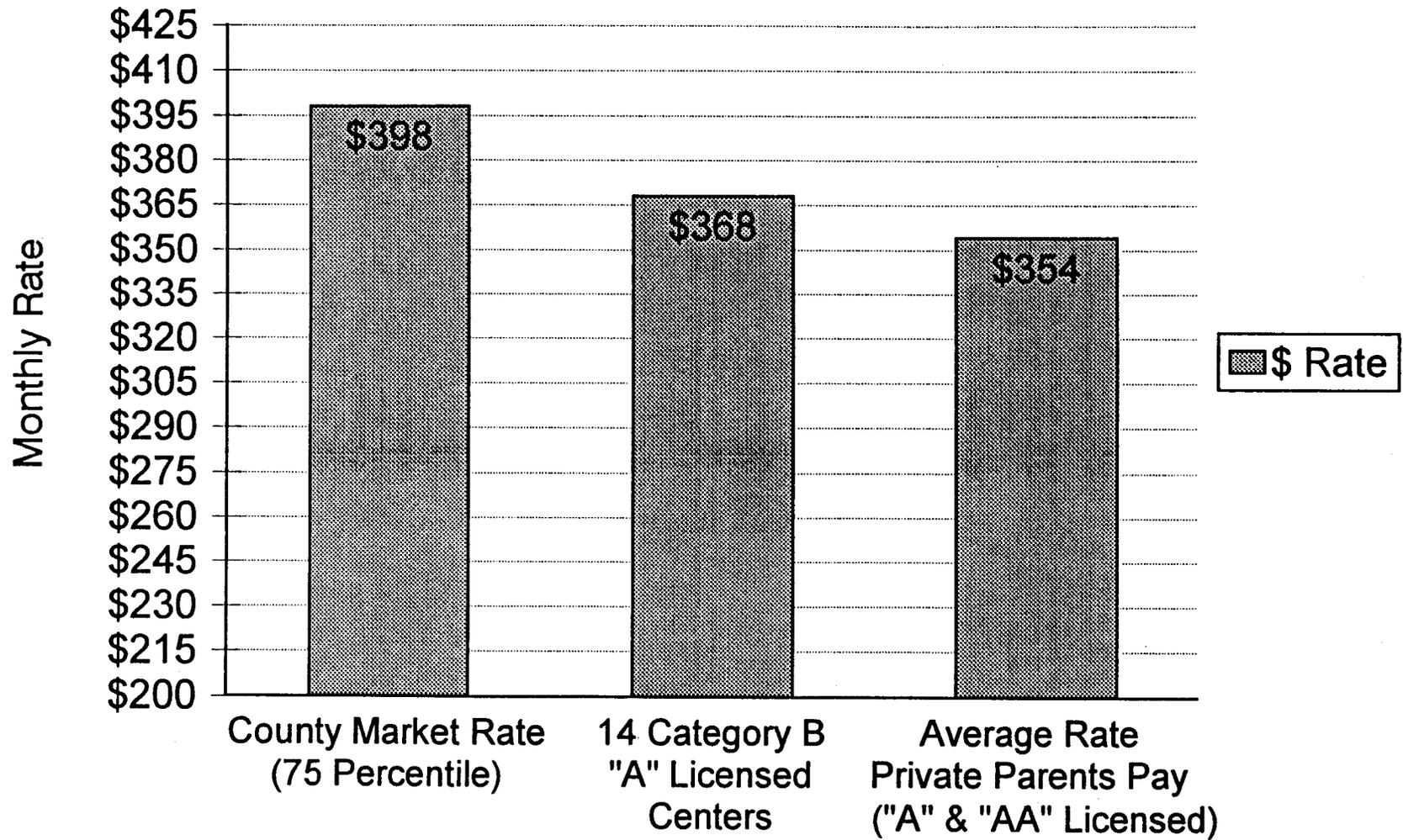
Monthly Rates for 3-year olds



Source: Child Care Resources Inc. (Based on May, 1994 payments)

Mecklenburg County Child Care Subsidies

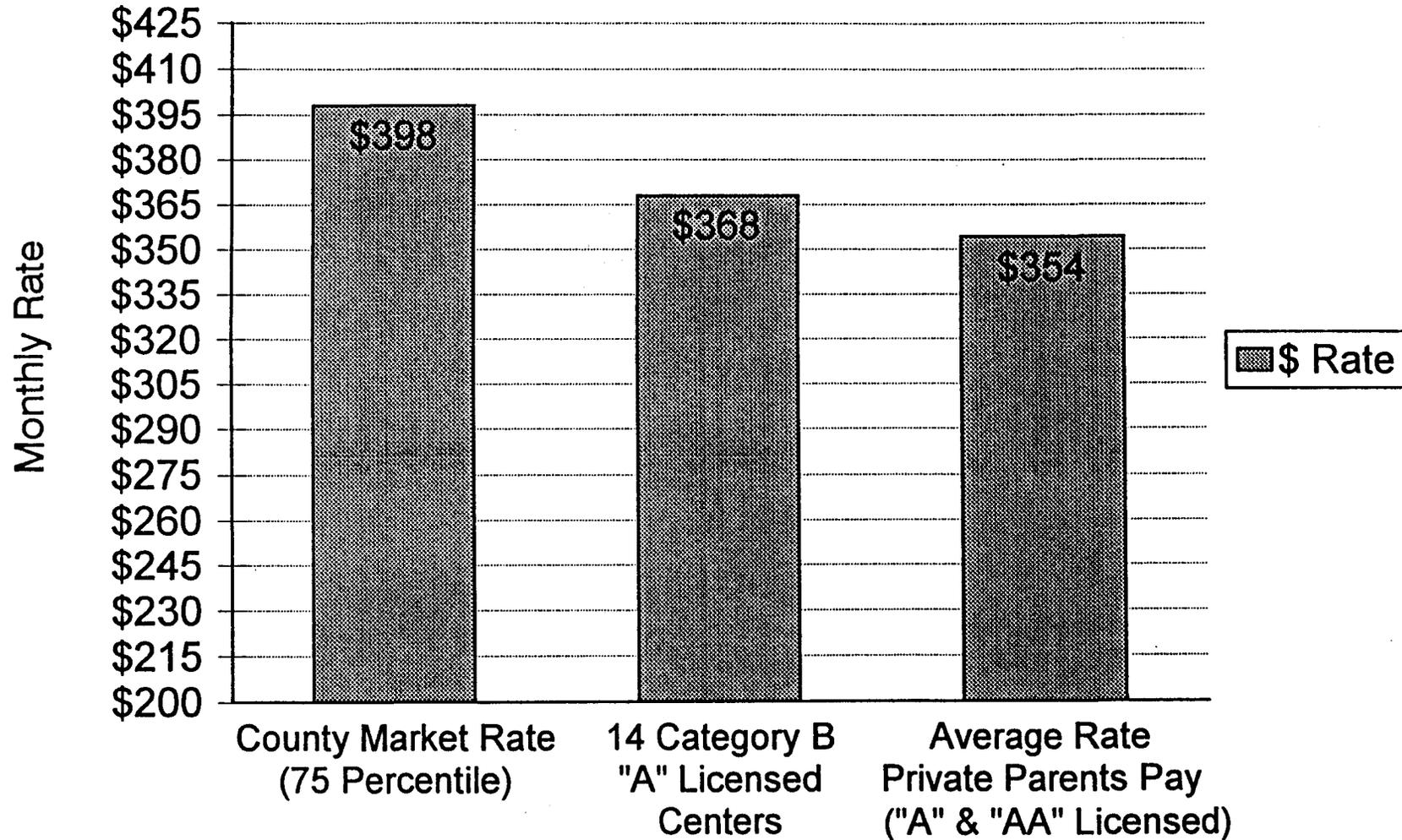
Monthly Rates for 3-year olds



Source: Child Care Resources Inc. (Based on May, 1994 payments)

Mecklenburg County Child Care Subsidies

Monthly Rates for 3-year olds

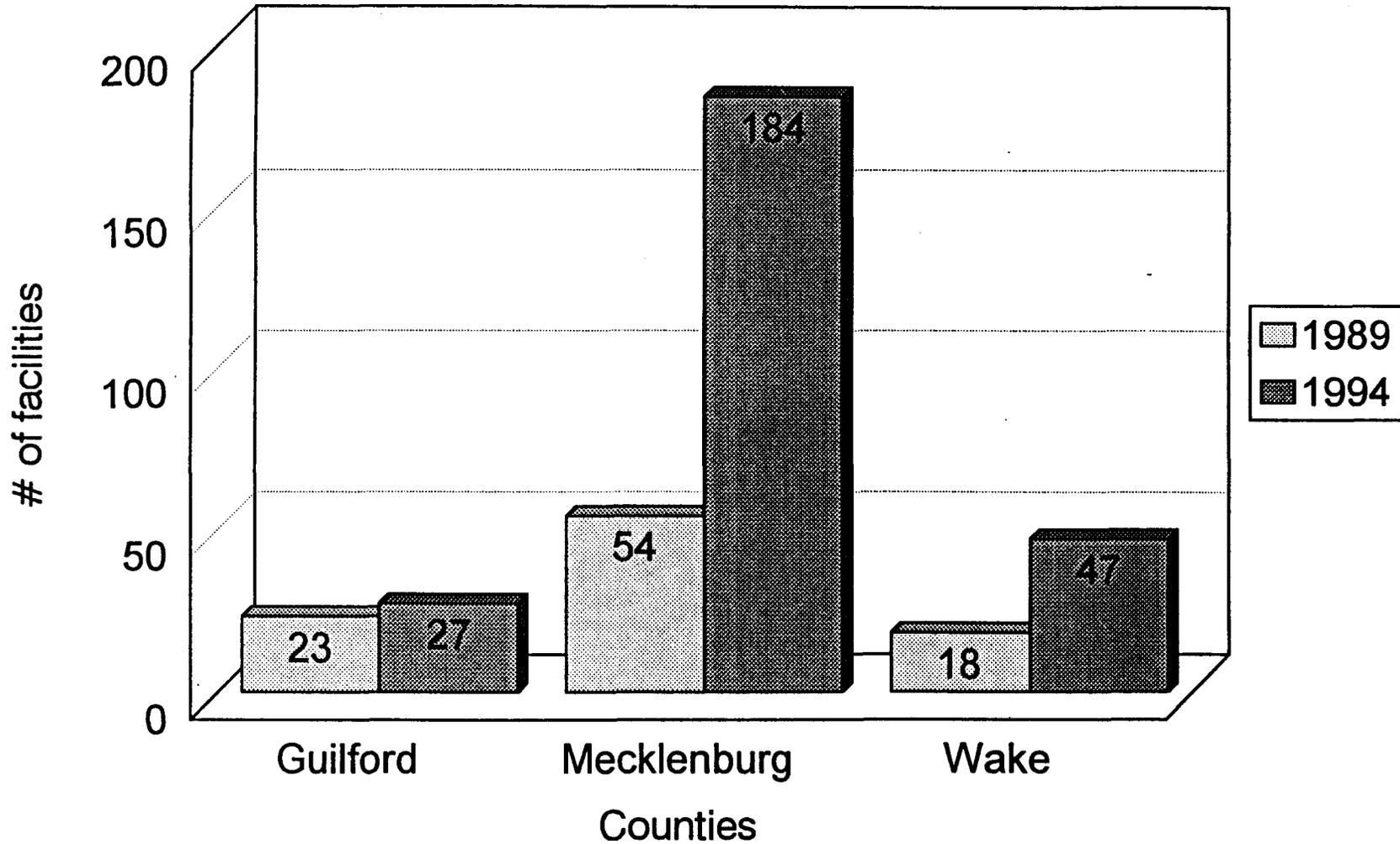


Source: Child Care Resources Inc. (Based on May, 1994 payments)

19-7
C-61

"AA" Licensed Facilities

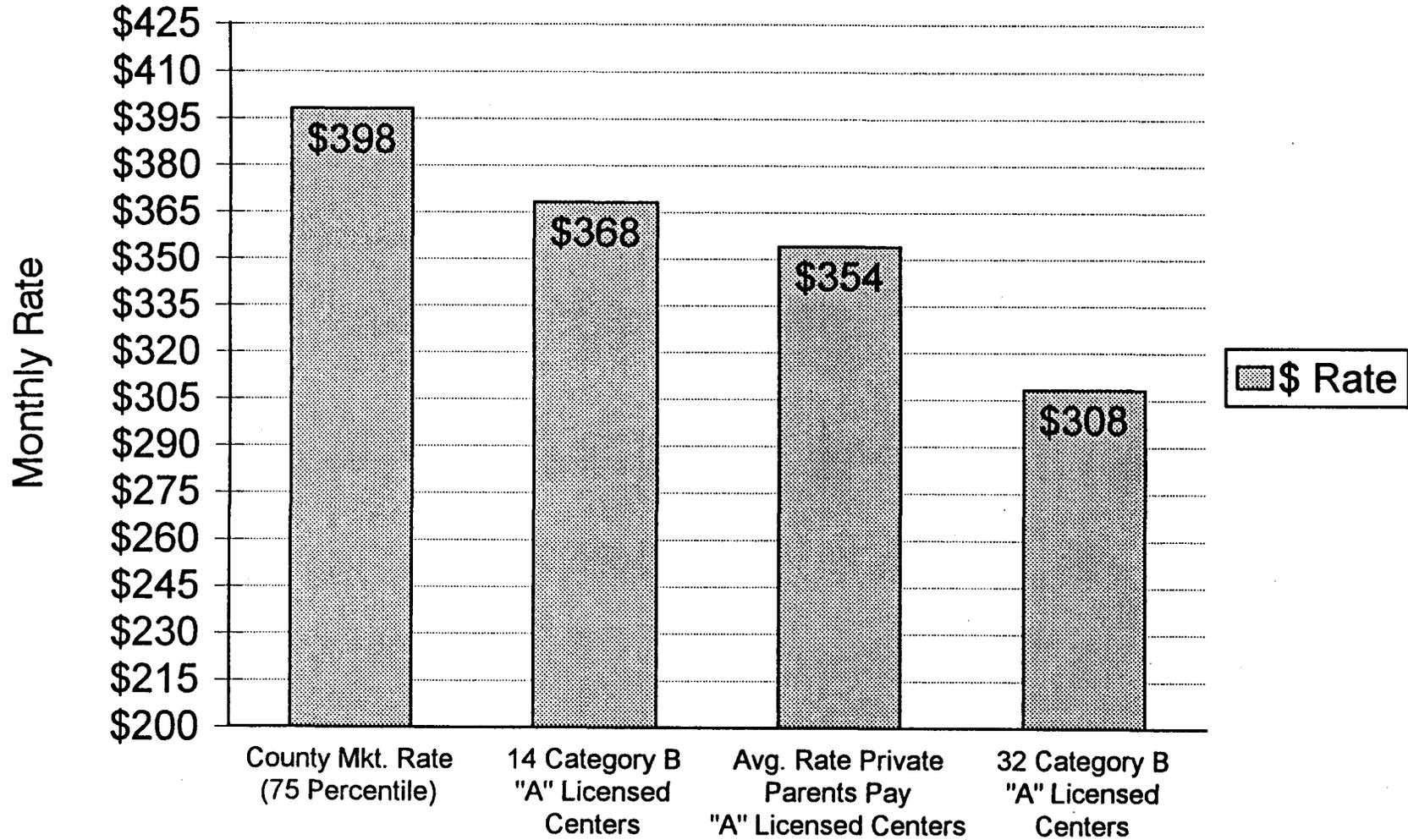
August 1994



Source: NC Division of Child Development

Mecklenburg County Child Care Subsidies

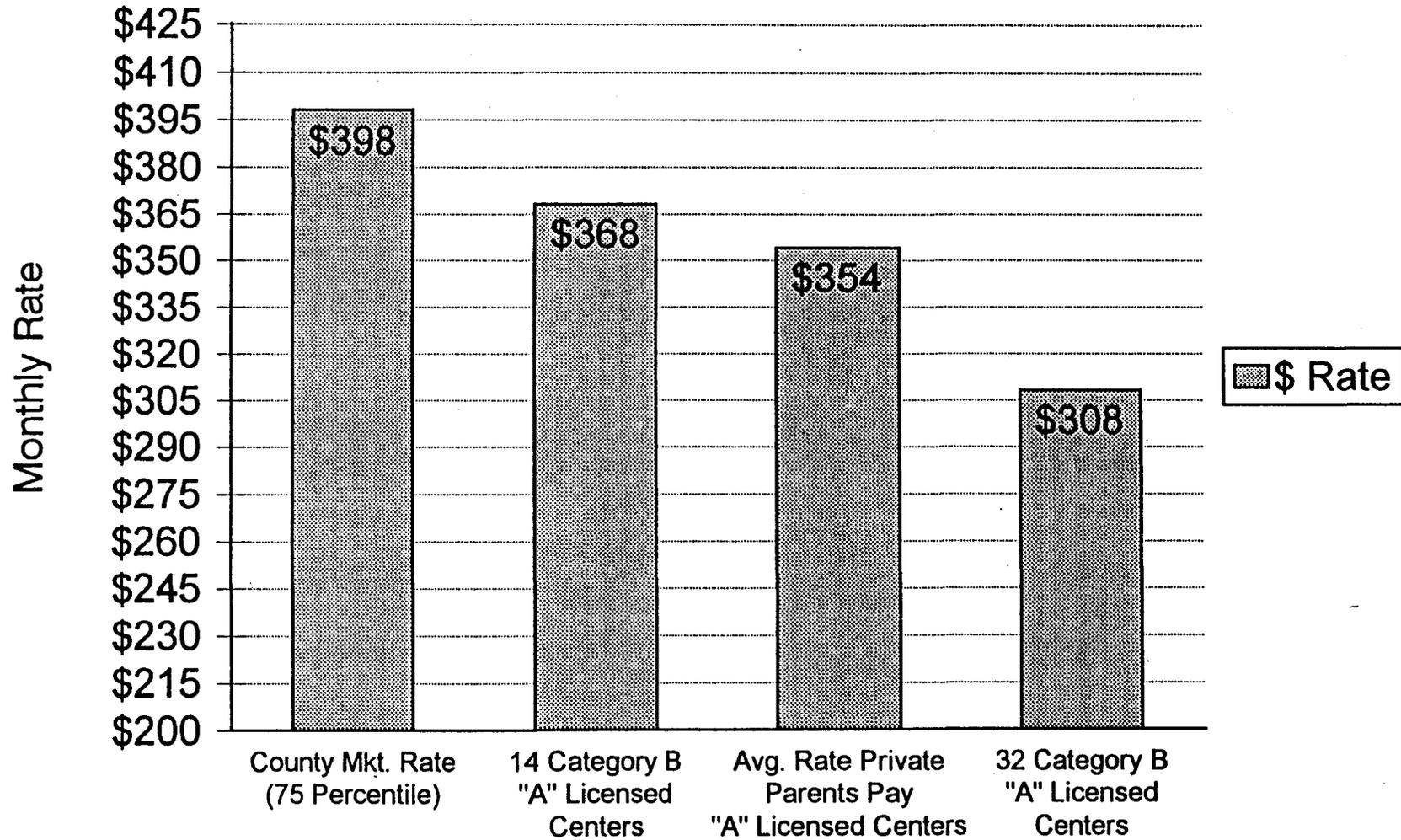
Monthly Rates for 3-year olds



Source: Child Care Resources Inc. (Based on May, 1994 payments)

Mecklenburg County Child Care Subsidies

Monthly Rates for 3-year olds



Source: Child Care Resources Inc. (Based on May, 1994 payments)

11/18/94

**COSTS OF OPERATING STATEWIDE
CHILD CARE RESOURCE AND REFERRAL**

COUNTY	CHILD POPULATION < 14 YRS	BASE FUNDING Population Based	BASE FUNDING Minimum \$30,000
ALAMANCE	18,488	\$36,976	\$46,976
ALEXANDER	5,189	10,378	30,000
ALLEGHANY	1,538	3,076	30,000
ANSON	4,657	9,314	30,000
ASHE	3,611	7,222	30,000
AVERY	2,529	5,058	30,000
BEAUFORT	8,372	16,744	30,000
BERTIE	4,533	9,066	30,000
BLADEN	5,752	11,504	30,000
BRUNSWICK	9,266	18,532	30,000
BUNCOMBE	30,244	60,488	70,488
BURKE	13,396	26,792	36,792
CABARRUS	18,632	37,264	47,264
CALDWELL	12,773	25,546	35,546
CAMDEN	1,097	2,194	30,000
CARTERET	9,286	18,572	30,000
CASWELL	3,723	7,446	30,000
CATAWBA	21,810	43,620	53,620
CHATHAM	6,958	13,916	30,000
CHEROKEE	3,414	6,828	30,000
CHOWAN	2,792	5,584	30,000
CLAY	1,193	2,386	30,000
CLEVELAND	15,988	31,976	41,976
COLUMBUS	10,367	20,734	30,734
CRAVEN	17,895	35,790	45,790
CUMBERLAND	62,496	124,992	134,992
CURRITUCK	2,789	5,578	30,000
DARE	4,100	8,200	30,000
DAVIDSON	23,392	46,784	56,784
DAVIE	4,944	9,888	30,000
DUPLIN	8,080	16,160	30,000
DURHAM	33,224	66,448	76,448
EDGECOMBE	12,470	24,940	34,940
FORSYTH	47,559	95,118	105,118
FRANKLIN	6,893	13,786	30,000
GASTON	33,969	67,938	77,938
GATES	1,871	3,742	30,000
GRAHAM	1,283	2,566	30,000
GRANVILLE	7,050	14,100	30,000
GREENE	3,055	6,110	30,000
GUILFORD	61,083	122,166	132,166
HALIFAX	11,862	23,724	33,724
HARNETT	13,610	27,220	37,220
HAYWOOD	7,363	14,726	30,000
HENDERSON	11,205	22,410	32,410
HERTFORD	4,755	9,510	30,000
HOKE	5,451	10,902	30,000
HYDE	1,038	2,076	30,000
IREDELL	17,366	34,732	44,732
JACKSON	4,085	8,170	30,000
JOHNSTON	15,241	30,482	40,482

c-65

11/18/94

APPENDIX C
 COUNTY-BY-COUNTY COSTS
**COSTS OF OPERATING STATEWIDE
 CHILD CARE RESOURCE AND REFERRAL**

COUNTY	CHILD	BASE FUNDING	BASE FUNDING
	POPULATION < 14 YRS	Population Based	Minimum \$30,000
JONES	1,842	3,884	30,000
LEE	8,489	16,978	30,000
LENOIR	11,154	22,308	32,908
LINCOLN	9,724	19,448	30,000
MACON	3,598	7,198	30,000
MADISON	2,758	5,518	30,000
MARTIN	5,087	10,174	30,000
MCDOWELL	6,398	12,792	30,000
MECKLENBURG	99,342	198,684	208,684
MITCHELL	2,420	4,840	30,000
MONTGOMERY	4,823	9,246	30,000
MOORE	10,396	20,792	30,792
NASH	15,110	30,220	40,220
NEW HANOVER	21,239	42,478	52,478
NORTHAMPTON	4,043	8,086	30,000
ONSLow	30,719	61,438	71,438
ORANGE	14,284	28,568	38,568
PAMLICO	2,111	4,222	30,000
PASQUOTANK	6,859	13,718	30,000
PENDER	5,484	10,968	30,000
PERQUIMANS	2,050	4,100	30,000
PERSON	5,725	11,450	30,000
PITT	20,707	41,414	51,414
POLK	2,159	4,318	30,000
RANDOLPH	20,092	40,184	50,184
RICHMOND	8,939	17,878	30,000
ROBESON	24,818	49,632	59,632
ROCKINGHAM	15,729	31,458	41,458
ROWAN	20,807	41,614	51,614
RUTHERFORD	10,673	21,346	31,346
SAMPSON	9,481	18,962	30,000
SCOTLAND	7,564	15,128	30,000
STANLY	9,937	19,874	30,000
STOKES	6,870	13,740	30,000
SURRY	10,741	21,482	31,482
SWAIN	2,176	4,352	30,000
TRANSYLVANIA	4,188	8,336	30,000
TYRELL	580	1,160	30,000
UNION	18,028	36,056	46,056
VANCE	8,020	16,040	30,000
WAKE	78,478	156,952	166,952
WARREN	3,382	6,764	30,000
WASHINGTON	3,005	6,010	30,000
WATAUGA	4,992	9,984	30,000
WAYNE	21,813	43,226	53,226
WILKES	10,572	21,144	31,144
WILSON	13,278	26,556	36,556
YADKIN	5,219	10,438	30,000
YANCEY	2,579	5,158	30,000
TOTALS	1,257,893	\$2,516,788	\$4,141,682

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APPENDIX D
LEGISLATIVE PROPOSALS

LEGISLATIVE
PROPOSAL 1

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-LFZ-008(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Day Care Provider Records.

(Public)

Sponsors: Representative Howard Hunter .

Referred to:

- 1 A BILL TO BE ENTITLED
2 AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD
3 CARE COMMITTEE TO MANDATE CRIMINAL HISTORY CHECKS OF CHILD DAY
4 CARE PROVIDERS, TO STUDY THE USE OF THE CENTRAL REGISTRY ON
5 CHILD ABUSE AND NEGLECT, AND TO APPROPRIATE FUNDS.
6
7 The General Assembly of North Carolina enacts:
8 Section 1. Article 7 of Chapter 110 of the General
9 Statutes is amended by adding a new section to read:
10 "§ 110-90.2. Mandatory day care providers criminal history
11 checks.
12 (a) For purposes of this section:
13 (1) 'Child day care', notwithstanding the definition in
14 G.S. 110-86, means any child day care provided in
15 child day care facilities and child day care homes,
16 including child day care facilities and child day
17 care homes required to be licensed or registered
18 under this Article, religious-sponsored child day
19 care facilities and child day care homes regulated
20 under G.S. 110-106 and G.S. 110-106.1, and
21 nonregistered child day care homes approved to
22 receive or receiving State or federal funds for
23 providing child day care.
24 (2) 'Child day care provider' means a person who:

- 1 a. Is employed by or seeks to be employed by a
2 child day care facility or child day care home
3 providing child day care as defined in
4 subdivision (1) of this subsection and by G.S.
5 110-86; or
- 6 b. Owens or operates or seeks to own or operate a
7 child day care facility or child day care home
8 providing child day care as defined in
9 subdivision (1) of this subsection and by G.S.
10 110-86.
- 11 (3) 'Criminal history' means a county or State criminal
12 history of conviction of a crime, whether a
13 misdemeanor or a felony, that bears upon an
14 individual's fitness to have responsibility for the
15 safety and well-being of children, including
16 homicide, rape and other sex offenses, assaults,
17 kidnapping and abduction, malicious injury or
18 damage by the use of incendiary device or material,
19 offenses against public morality and decency,
20 prostitution, a crime against children, and a crime
21 against the family, as prescribed respectively in
22 Articles 6, 7, 11, 26, 27, 39, and 40 of
23 Chapter 14 of the General Statutes, a violation of
24 the North Carolina Controlled Substances Act, as
25 prescribed in Article 5 of Chapter 90 of the
26 General Statutes, a violation of the law
27 prohibiting driving while impaired, as prescribed
28 in G.S. 20-138.1 through G.S. 20-138.5, a violation
29 of the law forbidding sales of alcohol to, or
30 purchases of alcohol by, minors, as prescribed in
31 G.S. 18B-302(c), and a violation of the law
32 prohibiting public intoxication, as prescribed in
33 G.S. 14-444.
- 34 (b) Effective April 2, 1996, the Department shall ensure that
35 child day care providers are checked for any criminal history and
36 may prohibit a child day care provider from providing child day
37 care if that child day care provider has a criminal history.
- 38 (c) The Department of Justice may provide to the Division of
39 Child Development, Department of Human Resources, the criminal
40 history of any child day care provider from the State Repository
41 of criminal histories. The Division shall provide to the
42 Department of Justice along with the request the fingerprints of
43 the provider to be checked, any additional information required
44 by the Department of Justice, and a form consenting to the check

1 of the criminal record and to the use of fingerprints and other
2 identifying information required by the State Repository signed
3 by the child day care provider to be checked. Refusal to consent
4 is grounds for the Department to prohibit the child day care
5 provider from providing child day care.

6 (d) The Department shall notify in writing the child day care
7 provider and that child day care provider's employer, if any, of
8 any disqualifying information resulting from the check of the
9 criminal history, and of the Department's action under subsection
10 (b) of this section.

11 A child day care provider who disagrees with the Department's
12 decision may file a civil action in the district court of the
13 county of residence of the child day care provider.

14 (e) All the information that the Department receives through
15 the checking of the criminal history is privileged information
16 and for the exclusive use of the Department and those persons
17 authorized under this section to receive the information. The
18 Department may destroy the information after it is used for the
19 purposes authorized by this section after one calendar year.

20 (f) No action for civil or criminal liability shall be brought
21 against an employer of a child day care provider, a child day
22 care, or a State or local agency as a result of the check of the
23 criminal history, if the employer, child day care provider, or
24 State or local agency was acting in good faith and in accordance
25 with this section and the rules established under this section.

26 (g) The child day care provider who seeks to be employed in
27 child day care and the child day care provider who seeks to own
28 or operate child day care shall pay the cost of the
29 fingerprinting and the local check at the time the child day care
30 provider seeks to provide child day care. The Department of
31 Justice shall perform the State check, using funds appropriated
32 to it for that purpose, if the Department considers that the
33 additional check is necessary."

34 Sec. 2. G.S. 114-19 reads as rewritten:

35 "§ 114-19. Criminal statistics.

36 (a) It shall be the duty of the State Bureau of Investigation
37 to receive and collect police information, to assist in locating,
38 identifying, and keeping records of criminals in this State, and
39 from other states, and to compare, classify, compile, publish,
40 make available and disseminate any and all such information to
41 the sheriffs, constables, police authorities, courts or any other
42 officials of the State requiring such criminal identification,
43 crime statistics and other information respecting crimes local
44 and national, and to conduct surveys and studies for the purpose

1 of determining so far as is possible the source of any criminal
2 conspiracy, crime wave, movement or cooperative action on the
3 part of the criminals, reporting such conditions, and to
4 cooperate with all officials in detecting and preventing.

5 (b) The State Bureau of Investigation shall, on a daily
6 basis, notify the Department of Revenue of all reports it
7 receives pursuant to G.S. 114-18.1 of arrests and seizures
8 involving non-tax-paid controlled substances and counterfeit
9 controlled substances. The Bureau shall also, as soon as
10 practicable, provide the Department with any additional
11 information it receives regarding such arrests and seizures.

12 (c) The Department of Justice may provide to the Division of
13 Child Development, Department of Human Resources, the criminal
14 history from the State Repository of criminal histories of any
15 child day care provider. The Division shall provide to the
16 Department of Justice along with the request the fingerprints of
17 the provider to be checked, any additional information required
18 by the Department of Justice, and a form consenting to the check
19 of the criminal record and to the use of fingerprints and other
20 identifying information required by the State Repository signed
21 by the child day care provider to be checked. Refusal to consent
22 is grounds for the Department to prohibit the child day care
23 provider from providing child day care.

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28 provider seeks to provide child day care. The Department of
29 Justice shall perform the State check, using funds appropriated
30 to it for that purpose, if the Department considers that the
31 additional check is necessary."

32 Sec. 3. The North Carolina Child Day Care Commission
33 shall adopt rules to implement this act, in consultation with the
34 Divisions of Child Development and Social Services of the
35 Department of Human Resources, and the Division of Criminal
36 Information of the Department of Justice.

37 Sec. 4. The Legislative Research Commission's Child
38 Care Study Committee, if reauthorized, shall study the issue of
39 using the records in the Central Registry on Child Abuse and
40 Neglect for the purpose of conducting records checks of child day
41 care providers. In its study, the Committee shall evaluate
42 current procedures for substantiating claims of child abuse or
43 neglect and for maintaining records in the Central Registry, and
44 shall determine what procedures should be implemented to (i)

1 ensure that records are accurate, (ii) provide appropriate notice
2 to interested parties, (iii) provide for expungement or
3 correction of information, and (iv) provide for release of
4 information. The Committee shall report its findings and
5 recommendations to the Legislative Research Commission before the
6 1995 General Assembly, Regular Session 1996.

7 Sec. 5. (a) There is appropriated from the General Fund
8 to the Department of Human Resources the sum of one hundred
9 twenty-six thousand six hundred forty-five dollars (\$126,645)
10 for the 1995-96 fiscal year and the sum of two hundred eighty-
11 seven thousand eight hundred sixty-five dollars (\$287,865)
12 for the 1996-97 fiscal year to implement this act.

13 (b) There is appropriated from the General Fund to the
14 Department of Justice the sum of eleven thousand eight hundred
15 eighty-two dollars (\$11,882) for the 1995-96 fiscal year and the
16 sum of forty-seven thousand five hundred sixty-two dollars
17 (\$47,562) for the 1996-97 fiscal year to implement this act.

18 Sec. 6. Section 4 of this act is effective upon
19 ratification. Section 5 of this act becomes effective July 1,
20 1995. The remainder of this act becomes effective April 2, 1996,
21 and it applies to child day care providers newly hired in child
22 day care employment and to child day care providers newly owning
23 or operating child day care on or after that date.

DRAFT
FOR REVIEW ONLY

LEGISLATIVE PROPOSAL 1
A BILL TO BE ENTITLED
AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION
CHILD CARE COMMITTEE TO MANDATE CRIMINAL HISTORY CHECKS OF
ALL CHILD DAY CARE PROVIDERS, TO STUDY THE USE OF THE CENTRAL
REGISTRY ON CHILD ABUSE AND NEGLECT, AND TO APPROPRIATE FUNDS

This bill is similar in concept to initiatives considered but not passed by several past sessions of the General Assembly. This bill simplifies the procedures involved and leaves to rule-making many of the details, but acts as did the other bills, to ensure that children in child day care are cared for by child day care employees and owner-operators who have no North Carolina criminal history that would make them unfit to care for children. The checks are to begin April 2, 1996.

The first section of the bill amends the Child Day Care Article of Chapter 110 of the General Statutes to add a section that mandates mandatory day care providers criminal history checks. It defines the scope of checks that will be used to determine whether an individual child day care provider-employee or owner-operator has a North Carolina criminal history that would bear negatively upon that individual's fitness to have responsibility for the safety and well-being of children.

This section mandates that the Department of Human Resources ensure that child day care providers are checked. It gives authority to the Department of Justice to provide the checks, and the criminal history that results to the Department, to enable the Department to determine the individual's fitness. All Departmental determinations are, of course, subject to full appeal rights granted by Chapter 150B of the General Statutes. In practice, there will often be negotiations with the operator-provider before the determination is final. The checks will be run on new providers, whether employees or owner-operators rather than on all providers currently offering care. Eventually, because of the historically great turnover in child day care, all providers will have been checked. In this proposal, FBI record checks are not contemplated.

The first section also mandates that the provider being checked provide the fingerprints to the Department and also that this provider consent in writing both to the checks and to the use of fingerprints. The section makes clear that failure to consent is grounds for a departmental determination of unfitness, but this determination, like all others, is subject to appeal.

This section also provides for confidentiality of information, destruction of records, and "good faith" immunity from liability. It also specifies that the costs will be borne by the provider-employee or the provider-owner-operator.

Section 2 contains conforming changes in the statutes relating to the Department of Justice.

Section 3 grants the appropriate rule-making authority.

Section 4 requires that the Legislative Research Commission study the issue of using the records of the Central Registry on Child Abuse and Neglect for the purposes of conducting additional records checks of child day care providers.

Section 5 appropriates \$126,645 for 1995-96 and \$287,865 for 1996-97 to the Department of Human Resources and \$11,882 for 1995-96 and \$47,562 for 1996-97 to the Department of Justice to administer the new law.

Section 6 specifies the several effective dates of the act. Section 4 is to become effective upon ratification. Section 5 is to become effective July 1, 1996. The remainder of the act is to become effective April 2, 1996. Section 6 also makes clear that the requirements of this act apply to child day care providers newly hired or newly owning or operating child day care on or after that date.

**DRAFT
FOR REVIEW ONLY**

January 2, 1995

TO: LRC Committee on Child Care

FROM: L. Carol Shaw
Fiscal Research Division

SUBJECT: Fiscal Impact of the Proposed Legislation -- Day Care
Provider Records

The proposed legislation mandates criminal history checks of child day care providers with the child day care provider paying the cost of the local criminal history check and the State paying the cost of the State criminal history check.

The proposed legislation will have a fiscal impact on the Division of Child Development in the Department of Human Resources and the Department of Justice.

The cost to the Division of Child Development includes the administrative cost of operating a new program and the actual cost per state criminal check for each child day care provider who is newly hired in child day care employment and the child day care providers newly opening or operating child day care on or after April 2, 1996. The Division estimates that there are currently 32,000 employees in regulated child care facilities with an average annual turnover rate of 45% which will result in an estimated 14,500 child care positions being filled annually. The Division believes it will need a program coordinator, a data analyst, and the services of an attorney to fulfill its responsibilities for assuring compliance with the requirements, communicating with the Department of Justice and managing appeals from applicants denied employment in child care facilities as a result of the criminal record check requirements. The administrative cost for 1995-96, including one-time costs to provide additional space and purchase equipment for the new positions, is \$75,895. The administrative cost for 1996-97 (and the annualized cost) is \$84,865. The estimates for the administrative cost assume that the Division will be able to use federal funds to pay for 35% of the the new program under the Division's cost allocation plan. The cost for processing the State criminal record checks is \$14 for each newly hired child day care provider who is checked. In 1995-96, the cost for processing criminal record checks for the last quarter of the fiscal year (the effective

date of the legislation is April 2, 1996) is \$50,750. In 1996-97, the cost of processing criminal record checks (and the annualized cost) is \$203,000. In summary, the total fiscal impact of the proposed legislation on the Division of Child Development in the Department of Human Resources is as follows:

1995-96	\$126,645
1996-97	\$287,865

The proposed legislation has a fiscal impact on the Department of Justice because it will need additional personnel to process an additional 14,500 State criminal record checks for new hired child day care providers. The cost for new personnel for the Department of Justice is \$11,852 for 1995-96 and \$47,529 (the annualized cost) for 1996-97.

DRAFT
FOR REVIEW ONLY

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-LFZ-016(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Child Care Eligibility Increase/Funds. (Public)

Sponsors: Representative Howard Hunter.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD
3 CARE COMMITTEE TO INCREASE ELIGIBILITY LIMITS FOR CHILD CARE
4 SUBSIDIES TO ENABLE FAMILIES TO RECEIVE CHILD CARE FOR LONGER
5 AS THEY TRANSITION OFF WELFARE AND TO APPROPRIATE FUNDS.
6 The General Assembly of North Carolina enacts:
7 Section 1. Effective July 1, 1995, eligibility limits
8 for State and federal child day care subsidies for families
9 already receiving subsidies are increased to seventy-five percent
10 (75%) of median income.
11 Sec. 2. There is appropriated from the General Fund to
12 the Division of Child Development, Department of Human Resources,
13 the sum of one million seven hundred thousand dollars
14 (\$1,700,000) for the 1995-96 fiscal year and the sum of one
15 million seven hundred thousand dollars for the 1996-97 fiscal
16 year to implement this act.
17 Sec. 3. This act becomes effective July 1, 1995.

LEGISLATIVE PROPOSAL 2

A BILL TO BE ENTITLED

AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION
CHILD CARE COMMITTEE TO INCREASE ELIGIBILITY LIMITS FOR CHILD
CARE SUBSIDIES TO ENABLE FAMILIES TO RECEIVE CHILD CARE FOR
LONGER AS THEY TRANSITION OFF WELFARE AND TO APPROPRIATE
FUNDS.

Section 1 increases eligibility income limits for child day care subsidies for families already receiving subsidized child care to seventy-five percent of median income, thus allowing families to continue to receive some subsidized care while increasing earned income as they transition off welfare. This increase will enable families to make more and still get some child care help. The current cap all too often results in families falling back into welfare because their job does not really yield enough to enable them to make full child care payments and they are forced to quit.

Section 2 appropriates \$1,700,000 for each fiscal year of the 1995-97 biennium to implement this act.

Section 3 makes the act effective July 1, 1995.

January 2, 1995

TO: LRC Committee on Child Care

FROM: L. Carol Shaw
Fiscal Research Division

SUBJECT: Fiscal Impact of the Proposed Legislation -- Child
Care Eligibility Increase/Funds

The proposed legislation increases eligibility limits for state and federal child day care subsidies for families already receiving subsidies to 75% of the median income.

The Division of Child Development has estimated that 1,656 children would be eligible under the proposed legislation with an annual subsidized cost of \$1,035 which takes in consideration that parents will pay an additional \$48 co-payment per child and the average length of stay in subsidized care is 9 months. In summary, the proposed legislation will have the following fiscal impact:

1995-96	\$1,713,960
1996-97	\$1,713,960

The fiscal impact does not take in consideration that the overall cost of subsidized care may increase over time. The committee rounded the cost of the proposed legislation to \$1,700,000 for each fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-LFZ-017(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Day Care "Notch" Increase/Funds.

(Public)

Sponsors: Representative Howard Hunter.

Referred to:

A BILL TO BE ENTITLED
 AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD
 CARE COMMITTEE TO AID CERTAIN WORKING PARENTS OF LOW-INCOME
 CHILDREN WHO ARE NOT CURRENTLY RECEIVING CHILD CARE SUBSIDIES
 TO RECEIVE SUBSIDIES TO ENABLE THEM TO CONTINUE TO WORK AND TO
 APPROPRIATE FUNDS..

The General Assembly of North Carolina enacts:

Section 1. In order to enable families that are working and that are struggling to remain self-sufficient but who need aid with child care in order to remain so, effective July 1, 1995, eligibility limits for State and federal child day care subsidies for families initially needing subsidies on or after this date are increased one economic "notch" above their current eligibility level.

Sec. 2. There is appropriated from the General Fund to the Division of Child Development, Department of Human Resources, the sum of one million seven hundred thousand dollars for the 1995-96 fiscal year and the sum of one million seven hundred thousand dollars for the 1996-97 fiscal year to implement this act.

Sec. 3. This act becomes effective July 1, 1995.

DRAFT
FOR REVIEW ONLY

LEGISLATIVE PROPOSAL 3
A BILL TO BE ENTITLED
AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION
CHILD CARE COMMITTEE TO AID CERTAIN WORKING PARENTS OF LOW-
INCOME CHILDREN WHO ARE NOT CURRENTLY RECEIVING CHILD CARE
SUBSIDIES TO RECEIVE SUBSIDIES TO ENABLE THEM TO CONTINUE WORK
AND TO APPROPRIATE FUNDS

Section 1 increases income eligibility limits for child care subsidies for families who initially need this care on or after the effective date of the act by one economic "notch" (approximately \$1,500, on average). This increase will enable families that are working and that are struggling to remain self-sufficient but who need aid with child care in order to remain self-sufficient.

Section 2 appropriates \$1,700,000 for each fiscal year of the 1995-97 biennium

Section 3 makes the act effective July 1, 1995.

**DRAFT
FOR REVIEW ONLY**

January 2, 1995

TO: LRC Committee on Child Care

FROM: L. Carol Shaw
Fiscal Research Division

SUBJECT: Fiscal Impact of the Proposed Legislation -- Day Care
"Notch" Increase/ Funds

The proposed legislation increases the eligibility limits for State and federal child day care subsidies for families initially needing subsidies on or after July 1, 1995 by one economic "notch" above their current eligibility level.

The Division of Child Development has estimated that 9,308 children would be eligible under the proposed legislation with an annual subsidized cost of \$1,035 which takes in consideration that parents will pay an additional \$48 co-payment per child and the average length of stay in subsidized care is 9 months. In summary, the proposed legislation will have the following fiscal impact:

1995-96	\$9,633,780
1996-97	\$9,633,780

The fiscal impact does not take in consideration that the overall cost of subsidized care may increase over time. The committee decided to appropriate \$1,700,000 for each fiscal year to begin implementation of the change in eligibility. Without full funding, it is anticipated that the waiting list for subsidized child day care will increase as more families become eligible for subsidies.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-LFZ-006(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Child Day Care Rates/Funds.

(Public)

Sponsors: Representative Howard Hunter .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION STUDY
3 COMMITTEE ON CHILD CARE ISSUES TO ESTABLISH THE REQUIREMENTS
4 FOR THE MONTHLY SCHEDULE OF PAYMENTS OF THE PURCHASE OF CHILD
5 CARE SERVICES FOR LOW INCOME CHILDREN AND TO APPROPRIATE FUNDS.
6 The General Assembly of North Carolina enacts:
7 Section 1. (a) Rules for the monthly schedule of
8 payments of the purchase of child day care services for low-
9 income children shall be established by the Social Services
10 Commission pursuant to G.S. 143B-153(8)a., in accordance with the
11 following requirements:
12 (1) For child day care facilities, as defined in G.S.
13 110-86(3), in which fewer than fifty percent (50%)
14 of the enrollees are subsidized by State or federal
15 funds, the State shall pay whichever of the
16 following is lower:
17 a. The highest fee charged private paying parents
18 for each age group or age category; or
19 b. The rate established by the local purchasing
20 agency;
21 (2) For child day care facilities that meet basic
22 requirements in which fifty percent (50%) or more
23 of the enrollees are subsidized by State or federal

- 1 funds, the State shall pay whichever of the
2 following is lowest:
- 3 a. The highest fee charged private paying parents
4 for each age group or age category;
- 5 b. The rate established by the local purchasing
6 agency; or
- 7 c. The county market rate as established by the
8 Division of Child Development of the
9 Department of Human Resources;
- 10 (3) For child day care facilities that meet enhanced
11 regulatory requirements in which fifty percent
12 (50%) or more of the enrollees are subsidized by
13 State or federal funds, the State shall pay as
14 follows:
- 15 a. For "AA" licensed facilities, up to one
16 hundred ten percent (110%) of the county
17 market rate or the provider's charge,
18 whichever is lower; and
- 19 b. For facilities accredited by the National
20 Association for the Education of Young
21 Children, up to one hundred twenty percent
22 (120%) of the county market rate or the
23 provider's charge, whichever is lower:
- 24 (4) For facilities that are not regulated by the State
25 licensing agency or that do not meet accreditation
26 standards approved by the Division of Child
27 Development, the State shall pay whichever of the
28 following is lowest:
- 29 a. The highest fee charged private paying parents
30 for each age group or age category;
- 31 b. The rate established by the local purchasing
32 agency; or
- 33 c. Seventy-five percent (75%) of the market rate
34 as established by the Division of Child
35 Development;
- 36 (5) For child day care homes as defined in G.S. 110-
37 86(4) that meet basic regulatory requirements, the
38 State shall pay whichever of the following is
39 lowest:
- 40 a. The highest fee charged private paying parents
41 for each age group or age category;
- 42 b. The rate established by the local purchasing
43 agency; or

- 1 c. The county market rate as established by the
2 Division of Child Development;
- 3 (6) For child day care homes as defined in G.S. 110-
4 86(4) that meet enhanced regulatory requirements,
5 the State shall pay as follows:
- 6 a. For homes accredited by the National
7 Association of Family Child Care and for homes
8 in which the primary caregiver has earned a
9 Child Development Associates credential, up to
10 one hundred ten percent (110%) of the county
11 market rate or the provider's charge,
12 whichever is less;
- 13 (7) For child day care homes as defined in G.S. 110-
14 86(4) that are not regulated by the State licensing
15 agency or that do not meet standards approved by
16 the Division of Child Development, the State shall
17 pay whichever of the following is lowest:
- 18 a. The highest fee charged private paying parents
19 for each age group or age category;
- 20 b. The rate established by the local purchasing
21 agency or
- 22 c. Seventy-five percent (75%) of the county
23 market rate as established by the Division of
24 Child Development;
- 25 (8) If a facility is not able to establish a rate
26 because eighty percent (80%) or more of the
27 children in care are subsidized by State or federal
28 funds, the center may submit a budget for which its
29 cost for service provision can be determined and
30 will be paid one of the following rates:
- 31 a. For providers in counties whose rates fall
32 below the State market rate, the established
33 cost per child up to the State market rate for
34 "A" or "AA" licensed providers, whichever is
35 appropriate;
- 36 b. For providers in counties whose rates exceed
37 the State market rate, the established cost
38 per child up to the county market rate for "A"
39 or "AA" licensed providers; or
- 40 c. The rate established by the local purchasing
41 agency;
- 42 (9) For child day care transportation services provided
43 to or from a child care facility or home, the State
44 shall pay as follows:

- 1 a. For child care facilities, as defined in G.S.
2 110-86(3), in which fewer than fifty percent
3 (50%) of the enrollees are subsidized by State
4 or federal funds, and for child day care
5 homes, as defined in G.S. 110-86(4), the
6 maximum allowable rate for transportation
7 shall be the transportation rate charged to
8 private paying parents;
- 9 b. For facilities in which fifty percent (50%) or
10 more of the enrollees are subsidized by State
11 or federal funds and all other transportation
12 providers excluding those described in
13 paragraph a. of this subdivision, the maximum
14 allowable rate for transportation shall be
15 fifty-five dollars (\$55.00) per month for any
16 child younger than three years; forty-eight
17 dollars (\$48.00) per month for any child three
18 years of age and older; and seventy-five
19 dollars (\$75.00) per month for children with
20 special needs whose transportation needs
21 require special accommodations or additional
22 supervision.
- 23 (10) Market rates shall be calculated by the Division of
24 Child Development on an annual basis. Both State
25 and county market rates shall be established for
26 each age group or age category of enrollees. The
27 Division may also calculate regional market rates
28 for each age group or age category. The Social
29 Services Commission shall adopt rules to establish
30 county market rates that use the State market rate
31 as a reference; and
- 32 (11) Local purchasing agencies may establish a single
33 county payment rate for each age group that is used
34 as a payment ceiling for all providers in the
35 county. This single county payment rate may be the
36 county market rate or a lower rate. Providers that
37 charge their private paying parents rates below
38 this single payment rate will be paid the rate they
39 charge their parents. Local purchasing agencies
40 may only establish a county payment rate for the
41 purposes of cost containment or quality
42 enhancement. If a single county payment rate is
43 established, it must be applied to all providers in
44 the county.



1 (b) Facilities licensed pursuant to Article 7 of Chapter
2 110 of the General Statutes may participate in the program that
3 provides for the purchase of care in child day care facilities
4 for minor children of needy families. No separate licensing
5 requirement shall be used to select facilities to participate.
6 In addition, child care facilities shall be required to meet any
7 additional applicable requirements of federal law or regulations.

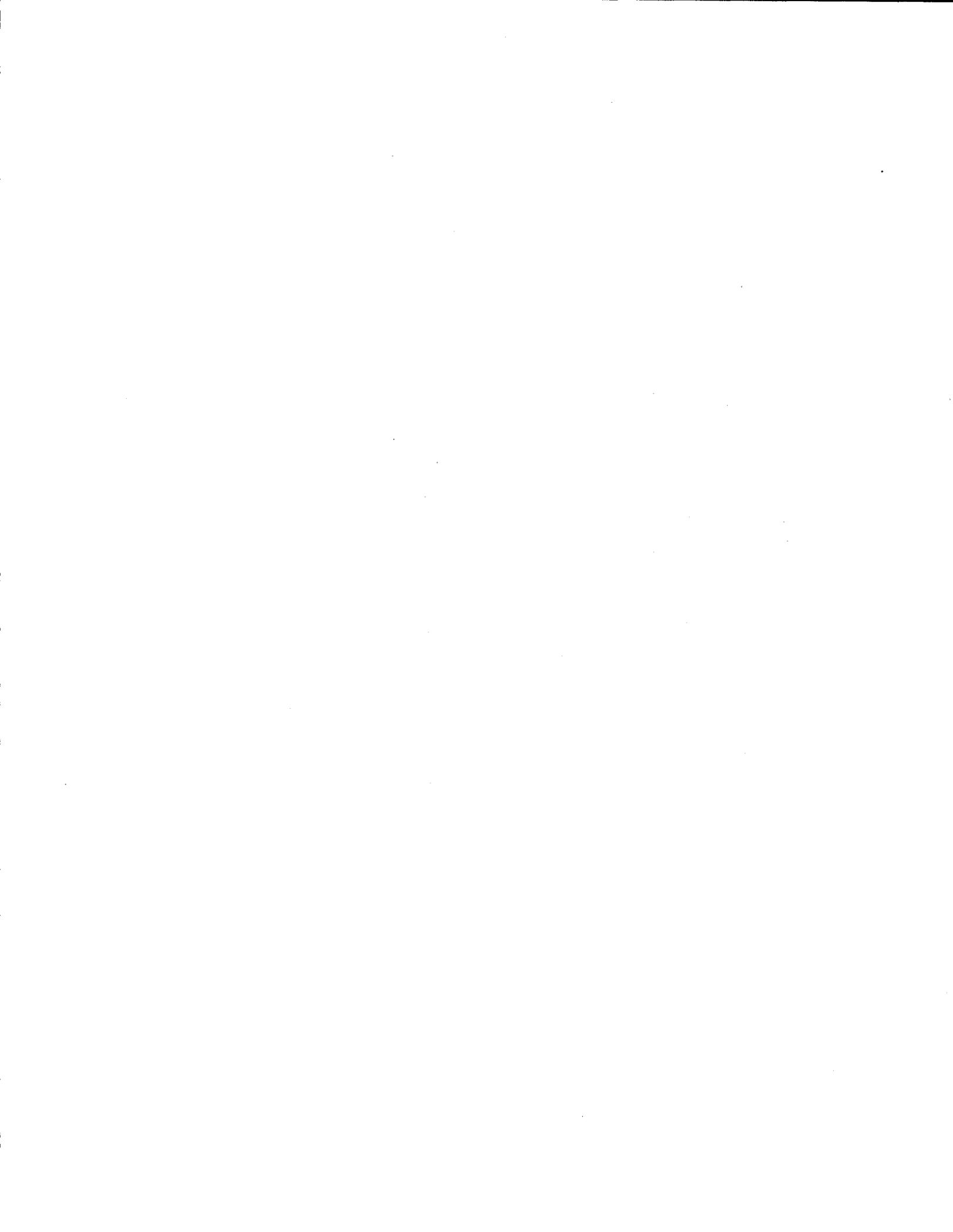
8 Child day care homes, as defined in G.S. 110-86(4), from
9 which the State purchases child care services shall meet the
10 standards established by the North Carolina Child Day Care
11 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any
12 additional requirements of State law, federal law, or federal
13 regulations. Child day care arrangements exempt from State
14 regulation pursuant to Article 7 of Chapter 110 of the General
15 Statutes shall meet the requirements established by other State
16 law and by the Social Services Commission.

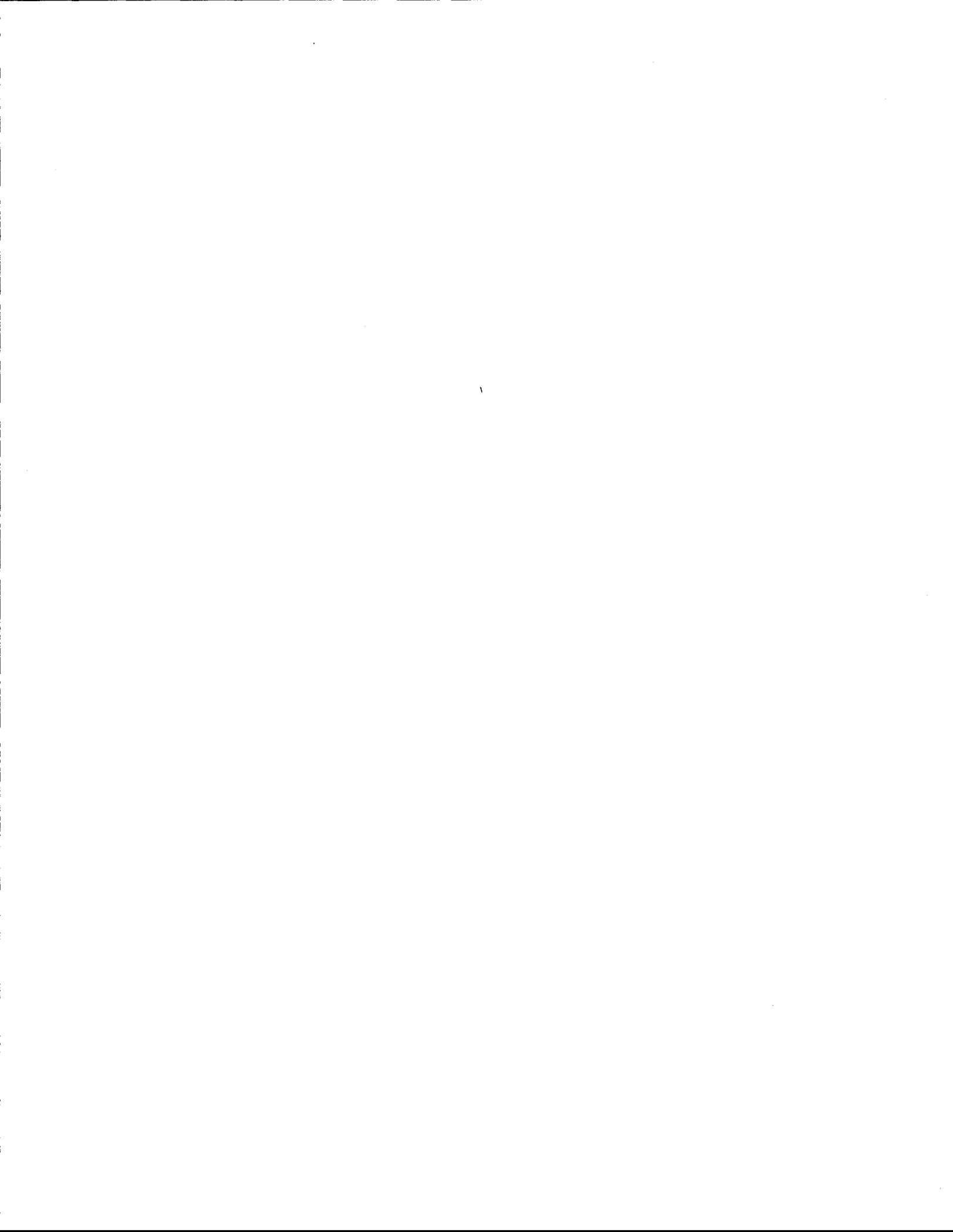
17 The Division of Child Development shall ensure that a
18 procedure is adopted to allow aggrieved providers to appeal rates
19 established for them pursuant to this act.

20 Sec. 2. This act becomes effective July 1, 1995.

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FOR REVIEW ONLY

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LEGISLATIVE PROPOSAL 4

A BILL TO BE ENTITLED

AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON CHILD CARE TO ESTABLISH THE REQUIREMENTS FOR THE MONTHLY SCHEDULE OF PAYMENTS OF THE PURCHASE OF CHILD CARE SERVICES FOR LOW INCOME CHILDREN AND TO APPROPRIATE FUNDS.

This proposal modifies current law regarding subsidized child care rates. The rate setting is done at in the budget bill for the first year of each fiscal biennium.

Subdivision (1) of subsection (a) of Section 1 maintains current law regarding payment of provider's rate or a lower rate negotiated by the purchasing agency for center providers in which fewer than half the children enrolled are subsidized. No effect on the cost of program is expected.

Subdivision 2 modifies existing law regarding payment rates for center providers in which half or more of the children enrolled are subsidized. Current policy allows payment of county market rate or lower negotiated rate for these providers. This proposal introduces use of the provider's charge to nonsubsidized children as the allowable rate if the provider's charge is lower than the county market rate. this proposal would represent a savings in the cost of the program. Since the Division does not collect information about provider charges from these providers, it is not possible to estimate how many providers and children would be affected by this change.

Subdivision 3 modifies existing law to allow higher rates to be paid to center providers who voluntarily meet higher levels of child care standards. See the analysis in APPENDIX C that provides cost estimates for both (a), which proposes paying centers meeting North Carolina's 'AA' licensing standards an amount up to 10% above the county market rate, and (b), which proposes a 15% increase for providers having NAEYC (National Association for the Education of Young Children) certification. The total cost to the State of this section could be as high as \$4,040,017. This cost assumes that all counties would choose to pay each eligible provider the maximum rate.

Subdivision 4 modifies existing law to allow the maximum rate for nonregulated child care centers to be set at 75% of the rate for regulated centers. This modification would affect only Family Support Act child care payments since all child care centers receiving non-FSA subsidy must be regulated. The FSA child care reporting system does not distinguish between regulated and nonregulated centers. Therefore, it is not possible to determine the number of payments that might be less under this section. This section would represent a savings, but not a significant one, in that it would primarily affect payments for school-age children. Most programs that serve only school-age children are not required to meet State licensing requirements.

Subdivision 5 modifies existing law for payments to day care homes by limiting payments to the home provider's charge if that amount is lower than the market rate. Since the market rate for homes is established from the 75th percentile of rates charged to nonsubsidized families, it is not anticipated that this section would decrease program costs significantly.



Subdivision 6 modifies existing law to allow higher rates (up to 10% above the going rate for regulated homebased care) for day care homes meeting higher standards. The Division was not able to obtain data regarding the number of home providers who are currently accredited or have CDA (Child Development Associates) credentials.

Subdivision 7 modifies existing law to establish the maximum rate for nonregulated day care homes at 75% of the rate for regulated homes. The analysis in Appendix C indicates the potential of cost savings up to \$5,800,000 from this section.

Subdivision 8 introduces a new rate establishment option for providers in which at least 80% of enrolled children are subsidized. Providers could be paid actual cost up to statewide market rate or county market rate if county rate is higher than statewide. This means that payments to a subset of the category B providers rates could be paid any amount up to the statewide market rate. Although no data are available regarding percentage of subsidized population, it is estimated that 40% of the category B centers serve primarily subsidized children. If it costs \$2,964,118 to implement statewide market rates for all Category B providers in counties with lower rates, than the cost for this subset of providers would be about \$1,180,000 annually.

Subdivision 9 increases rates for child care transportation. The actual cost of implementing this proposal is estimated at about \$47,400.

Subdivision 10 maintains current procedures for establishing annual market rates and provides for calculation of regional rates. There are no additional costs for this section.

Subdivision 11 addresses the issue of the public perception that some counties may be arbitrarily negotiating rates that differ, to a negatively discriminatory effect, among like providers. It allows counties to establish a county payment rate only when needed to contain costs or as an incentive to improve quality. If a county chooses to establish a county payment rate, then it must be applied across the board to all like child care providers in that county.

Subsection (b) modifies current law to require that the Division of Child Development adopt a formal procedure to allow aggrieved providers to appeal rates established pursuant to this act.

Section 2 makes the act effective July 1, 1995.

(Note: The following fiscal impact statement explains why there is no appropriations section in this proposal.)



January 2, 1995

TO: LRC Committee on Child Care

FROM: L. Carol Shaw
Fiscal Research Division

SUBJECT: Fiscal Impact of the Proposed Legislation -- Child
Day Care Rates

The proposed legislation modifies the manner in which rates for subsidized child day care are established and paid. Some of the proposals do not change existing policy and do not effect the cost. Others would cost more than current policy, while some would cost less. In some cases, the Division of Child Development does not have enough data at this time to determine the actual cost savings or increases. The following chart summarizes the fiscal impact that has been developed at this time:

<u>Proposal Description</u>	<u>Cost</u>
Maintain current policy for A centers	No additional cost
Limit B centers to center's charge	Savings (no data)
Pay higher rates for quality in centers	\$1,841,286
Pay lower rates to unregulated centers	Savings (no data)
Limit day care homes to providers charges	Savings (no data)
Pay lower rates to unregulated homes	(\$2,647,863)
Pay actual cost up to state market rate for providers serving primarily subsidized children	\$1,185,647
Increase transportation rates	\$ 47,409
Maintain annual market rate survey	No additional cost
Limited local purchasing agency flexibility	No additional cost



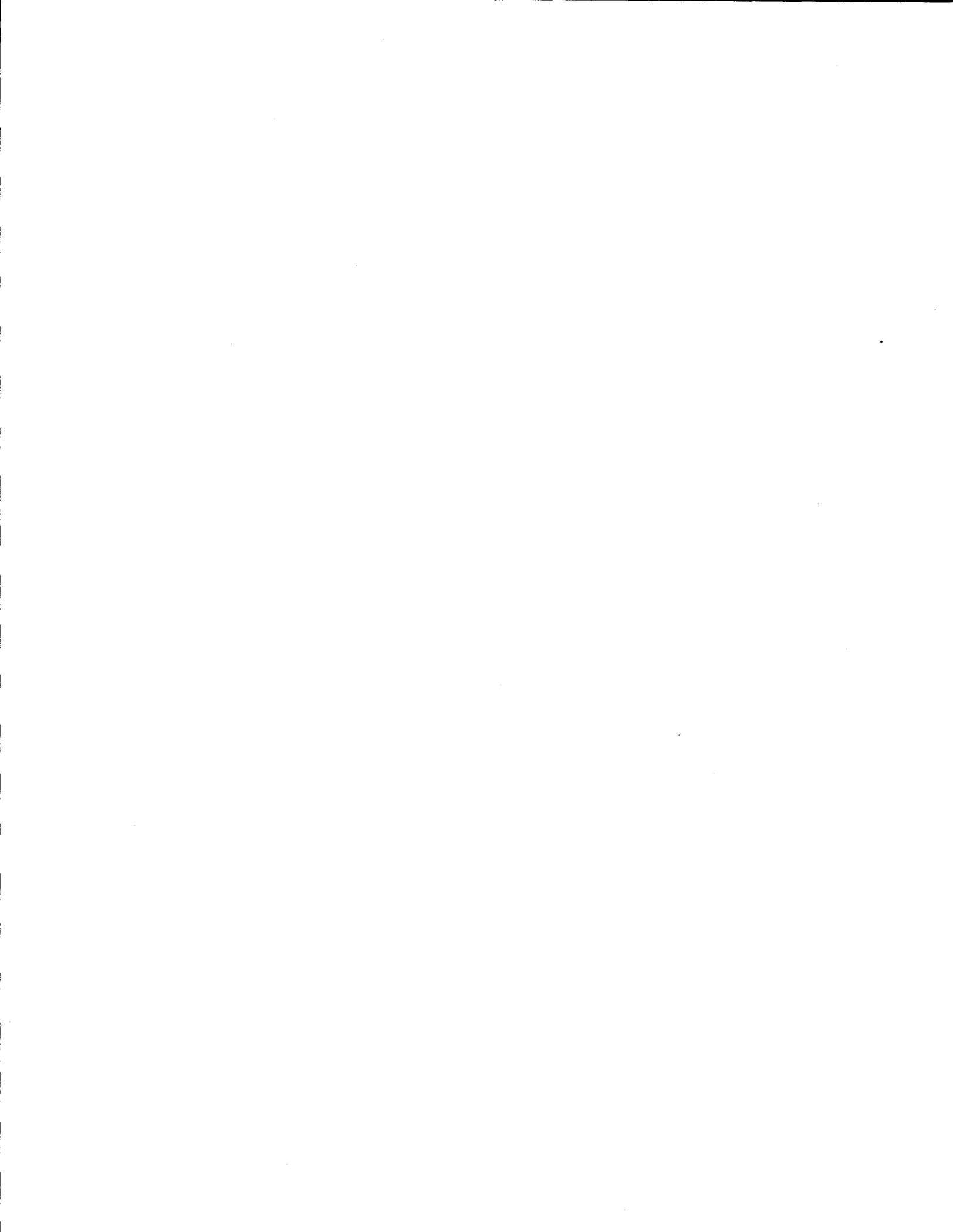
TOTAL STATE COST

\$ 426,479

After reviewing the available data, the committee decided to not request an appropriation for the proposed legislation because it believed that the cost savings which could not be determined with existing data may exceed the known cost. The committee requested that the Division of Child Development do further research and determine the actual cost savings or costs for the proposals where no data is currently available. The Division of Child Development will report its results to the appropriate committee during the 1995 Session of the general Assembly.

DRAFT

FOR REVIEW ONLY



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-LFZ-005(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Resource and Referral Funds.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION CHILD
3 CARE COMMITTEE TO APPROPRIATE FUNDS TO PROVIDE CHILD CARE
4 RESOURCES AND REFERRAL SERVICES TO CERTAIN COUNTIES UNSERVED BY
5 EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES THAT ARE
6 CURRENTLY UNABLE TO USE ALL THEIR DAY CARE ALLOCATIONS .
7 The General Assembly of North Carolina enacts:
8 Section 1. There is appropriated from the General Fund
9 to the Division of Child Development, Department of Human
10 Resources, the sum of one million dollars (\$1,000,000) for the
11 1995-96 fiscal year and the sum of one million dollars
12 (\$1,000,000) for the 1996-97 fiscal year to provide child care
13 resources and referral services in no more than ten additional
14 counties. These counties shall be counties unserved by Early
15 Childhood Education and Development Initiatives that are
16 currently unable to use all their day care allocation.
17 These funds may be used for multi-county incentives and
18 base funding to new and existing child care resources and
19 referral services, including accreditation costs.
20 Sec. 2. This act becomes effective July 1, 1995.



LEGISLATIVE PROPOSAL 5
A BILL TO BE ENTITLED

AN ACT RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION
CHILD CARE COMMITTEE TO APPROPRIATE FUNDS TO PROVIDE CHILD
CARE RESOURCES AND REFERRAL SERVICES TO CERTAIN COUNTIES
UNSERVED BY EARLY CHILDHOOD AND EDUCATION AND DEVELOPMENT
INITIATIVES THAT ARE CURRENTLY UNABLE TO USE ALL THEIR DAY CARE
ALLOCATIONS.

Section 1 appropriates \$1,000,000 each fiscal year of the 1995-97 biennium to provide resource and referral services for no more than ten counties unserved by Smart State that are currently unable to use all their day care allocations, primarily because the subsidy rate is so low that there is little incentive to provide child care.

Section 2 makes the act effective July 1, 1995.

FOR REVIEW ONLY

January 2, 1995

TO: LRC Committee on Child Care

FROM: L. Carol Shaw
Fiscal Research Division

SUBJECT: Fiscal Impact of the Proposed Legislation -- Resource
and Referral Funds

The proposed legislation will provide child care resource and referral (CCR&R) services to 10 additional counties.

Currently 36 counties have full CCR&R services with an additional 16 counties in the planning and development phases. The Division of Child Development proposed a two year phase-in plan provides for multi-county incentives and base funding to new and existing CCR&R services, including accreditation. The cost estimate for providing CCR&R services state-wide assumed a base funding level of \$30,000 per agency. If a county's population of children under age 14 exceeds 10,000, the county's base funding would be increased by an amount equal to \$2 per child for each child over 10,000. In addition, the estimate included a multi-county incentive of \$5,000 for an estimated 25 CCR&R agencies serving a multi-county area. An additional \$550,000 was included for grants related to a state CCR&R accreditation system which would be used to provide for an incentive to maintain and enhance the quality of services delivered by CCR&R agencies. The proposal also took in consideration the \$1,409,384 in existing state and federal funding for CCR&R services. In summary the total fiscal impact of statewide implementation of CCR&R services was as follows:

1995-96	\$3,619,308
1996-97	\$3,619,308

After reviewing the Division's proposal, the committee decided to appropriate \$1,000,000 each year of the next biennium to provide CCR&R services in no more than ten additional counties.

